

SENATE—Monday, April 10, 1989

(Legislative day of Tuesday, January 3, 1989)

The Senate met at 4 p.m., on the expiration of the recess, and was called to order by the Honorable WENDELL H. FORD, a Senator from the State of Kentucky.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

O Lord our Lord, how excellent is Thy name in all the Earth! who hast set Thy glory above the heavens.—Psalm 8:1.

Mighty God, perfect in holiness, truth, and justice, we take this moment to exalt Thee, to honor Thee, to adore Thee, to acknowledge Thy lordship and our servanthood. As Thou knowest all things, may we remember we have no secrets from Thee—our thoughts, our unspoken words, our motives are known to Thee.

Be honored in our lives today, sovereign Lord. If necessary, in spite of us, work Your will in each of us, in our families and homes, our work and in all our relationships. Be with those of our family who have special need for Thee today. Caress them with Thy love and grace, encourage them, strengthen them, heal them, provide all they need. And to Thee be glory forever and ever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 10, 1989.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WENDELL H. FORD, a Senator from the State of Kentucky, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. FORD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, following the time for the two leaders, there will be a period for morning business, not to extend beyond 4:30 p.m., with Senators permitted to speak therein for up to 5 minutes each.

As I indicated on Friday, there will be no rollcall votes today. However, there will be rollcall votes tomorrow, Tuesday, April 11, with two votes occurring back to back: First, on the Graham amendment, and the second, the Hatch amendment. Once these amendments are disposed of, other amendments are possible with rollcall votes occurring tomorrow afternoon and evening.

Mr. President, for the benefit of my colleagues, let me again indicate that it is my hope that we can complete action on the minimum wage bill by the close of business on Wednesday or early Thursday. It is then my intention to turn to the Contra aid package to complete action on that this week.

The Senate will be prepared to receive and begin acting on the thrift industry legislation on next Monday.

Mr. President, I reserve the remainder of my time, and I yield to the distinguished Republican leader.

RECOGNITION OF THE REPUBLICAN LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

RESERVATION OF REPUBLICAN LEADER'S TIME

Mr. DOLE. Mr. President, I reserve my time for the time being.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to exceed beyond the hour of 4:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

ORDER FOR STAR PRINT—S. 22

Mr. DOLE. Mr. President, on behalf of Senator PRESSLER, I ask unanimous consent that S. 22 be star printed to reflect the following changes, which I send to the desk.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

The majority leader.

NOMINATION OF SUSAN CAROL SCHWAB

Mr. MITCHELL. Mr. President, as in executive session, I ask unanimous consent that the nomination of Susan Carol Schwab, of Maryland, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, received April 4, 1989, be referred jointly to the Committee on Commerce, Science, and Transportation, and the Committee on Banking, Housing, and Urban Affairs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Republican leader.

A NEW LOOK AT THE OIL POLLUTION LIABILITY AND COMPENSATION ACT

Mr. DOLE. Mr. President, the "Monday morning quarterbacks" are coming out of the woodwork in the aftermath of the Prince William Sound oil tanker disaster—and make no mistake, it is a disaster of unimagined proportions.

Mr. President, I would like to commend those who are on the front line, battling to contain the spill and reduce its tragic consequences. For its part, Exxon has the responsibility to proceed with an "open checkbook" commitment; it made the mess, and it's got to face the consequences.

I also want to thank President George Bush and Alaska Gov. Steve Cowper for coordinating what will most certainly be a multiyear battle against this pollution nightmare.

Senators TED STEVENS and FRANK MURKOWSKI have demonstrated great leadership on this "home State" crisis, and they have been tireless advocates for Alaska in its time of need—we salute our colleagues for their good work in tough times.

CRITICISM

Unfortunately, Mr. President, the cleanup is not being helped at all by those people who want to point fingers, criticize, and complain—all of that "Monday morning quarterbacking" will not clean up a drop of oil, and will not save one fish, one bird, or one sea otter.

We have a "manmade disaster" in Alaska, and man must do all it can to help nature heal itself. We'll have plenty of time to lay blame in the future. What we need to do for Alaska is get out of the way of those who are deploying the booms, the skimmers and the dispersants and let them get their job done.

NEED TO PREPARE FOR THE FUTURE

But there is something positive we can do in the meantime to reduce the effects of the next oilspill; and we can also help reduce the effects of some faulty Senate thinking.

In 1984, the United States became a signator of protocols which call for the United States to join other nations of the world in the establishment of an international fund and strike force to attack spills that might occur anywhere in the world.

For example, what would happen if an oil tanker registered in some small, poor and distant nation by an owner of different nationality, and questionable character were to run aground off Antarctica?

As crude oil continued day after day to leak from the ship, and spoil the pristine environment of our globe's southern pole, the United States would be forced to scramble for coordination and cooperation with other countries. We would be caught with our plans down. Why? Because the truth is, the Oil Pollution Liability and Compensation Act has been languishing in committee—in other words, it has suffered death by committee. For years, this committee inaction has helped block our efforts to endorse the protocols, so we can join the international community to stand ready in the face of an environmental emergency.

Mr. President, this legislation passed the House in the 99th Congress, only to meet opposition in the Senate. It is now time for the Senate to do something positive, to take a new, urgent look at the Comprehensive Oil Pollution Liability and Compensation Act. We will have plenty of time to point fingers on the Prince William Sound tragedy once we clean up our own house.

CAMPAIGN SPENDING—PAC'S AND THE INCUMBENCY PROTECTION PLAN

Mr. DOLE. Mr. President, I am pleased that the distinguished Senator from Kentucky is presiding, because on Wednesday the Senate Rules Com-

mittee, which the Senator chairs will begin a series of hearings on campaign finance reform. According to a new survey today by the Washington Post on campaign spending by political action committees, the timing for these hearings couldn't be any better.

The Post reports that nearly \$7 of every \$10 given by political action committees in 1988 went to incumbents. Common Cause supports that finding with a study of its own indicating that House incumbents enjoyed a 7-to-1 PAC funding advantage over challengers.

Mr. President, these numbers are important. They are part of the reason why Republicans, Democrats and the American people want campaign spending reform. Let me underscore that Republicans are determined to produce real campaign finance reform—fair to Democrats and Republicans, to incumbents and challengers alike.

Let us look at the numbers. According to the Post survey, PAC's gave \$99 million to Democrats last year and \$72 million to Republicans. Yet from that total \$117 million went to incumbents and only \$36 million to their challengers. In last year's Senate races, incumbents had a 314-percent PAC funding advantage over their challengers. But in the House of Representatives, the difference is even more staggering: PAC donations totaled \$86 million for House incumbents, while House challengers received less than \$11 million.

Mr. President, I ask unanimous consent that the full Washington Post report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PAC'S POURED \$172.4 MILLION INTO RACES:
NEARLY \$7 OF EVERY \$10 GIVEN IN 1988
WENT TO INCUMBENTS

(By Richard Morin)

Political action committees (PACs) spent \$172.4 million to support candidates running for federal office last year, with nearly \$7 out of every \$10 going to benefit congressional incumbents, according to a computer analysis of federal contribution reports by the Washington Post.

PAC money continued to pour in even after Election Day, the analysis found, with PACs contributing more than \$2.4 million between Nov. 9 and the end of the year.

And while PACs are limited to contributing \$5,000 directly to individual campaigns during each election, the study showed that many PACs avoid the spending limits by making hundreds of thousands of dollars in "independent expenditures" to help individual candidates, or by sponsoring joint fundraisers with a favored politician and splitting the proceeds with the candidate's campaign.

For example, the Auto Dealers and Driver for Free Trade—a PAC associated with foreign auto manufacturers—spent a total of \$525,539 on behalf of the Senate campaign of Nevada Republican Chic Hecht, much of it to buy time for television advertising. Even though PACs spent more than \$1.7

million on his 1988 reelection effort, Hecht lost.

The foreign auto dealers did make some better investments, including \$337,550 to support the campaign of Connie Mack III (R), who narrowly defeated his Democratic rival last year in Florida's Senate race.

The auto PAC also spent \$325,126 on the successful Senate campaign of Trent Lott (R-Miss.), whose move up from the House also was supported by \$340,998 from the Realtors Political Action Committee.

According to the analysis, nearly \$1 out of every \$10 PACs spent on the 1988 campaign was an independent expenditure on behalf of a candidate, with some outlays totaling more than \$300,000 each.

The PAC contribution figures are based on Federal Election Commission data collected through the end of 1988 and provided to The Post on computer tape.

The reported totals are based on both direct and indirect contributions made through the end of last year to candidates who ran for federal office in 1988. The figures do not reflect additional contributions or refunds made this year, so the results may vary somewhat from running totals kept by individual candidate committees or PACs.

The contributions include direct-cash donations to candidate committees and "in-kind" expenditures made on behalf of candidates. The totals also reflect expenditures made on behalf of a candidate without the direct involvement of a candidate's campaign committee. An example of such a transaction might be a PAC's purchase of television time for a partisan ad independent of a candidate's campaign committee.

The biggest PAC giver in the last campaign, the analysis showed, was the National Security Political Action Committee (NSPAC), a controversial PAC that claims to have spent \$8.5 million on behalf of candidates in last year's election.

Of that total, more than \$8 million allegedly went to support the election of George Bush. But that figure is misleading because only \$116,774 represented actual cash outlays on behalf of any candidate. The remainder largely went to support NSPAC operations, including its expensive mail fundraising campaign.

Last year, senior Bush campaign officials denounced NSPAC and publicly disassociated the campaign from the PAC's controversial fund-raising efforts.

Jan W. Baran, general counsel to the Bush campaign, accused NSPAC in June of spending the majority of its money for fund-raising and operating costs and said groups such as NSPAC "prey on the elderly."

NSPAC political consultant Floyd Brown dismissed the charges at the time as the Bush campaign's way of "keeping an arm's-length distance" from the group's independent expenditures.

The Realtors Political Action Committee, which gave \$4.1 million, was the second-largest PAC, the analysis showed. The American Medical Association gave \$3.1 million, the Democratic Republican Independent Voter Education Committee of the Teamsters Union contributed \$2.7 million, and the Auto Dealers and Driver for Free Trade gave \$2.5 million.

PACs spent \$50 million for Senate candidates: \$31.1 million went to help the reelection campaigns of incumbent senators. PACs spent \$24 million to help Senate Republicans and \$25.4 million to aid Senate Democrats, according to The Post analysis.

In Senate races, Lloyd Bentsen (D-Tex.) easily led, with more than \$2.3 million in PAC dollars going to his reelection effort through the end of 1988. Pete Wilson (R-Calif.) received \$1.9 million in both direct and indirect support; Hecht \$1.7 million; Lott (R-Miss.) \$1.7 million and David P. Durenberger (R-Minn.) nearly \$1.7 million in assistance from PACs.

In House races, PACs spent \$106.4 million through the end of 1988: \$86.4 million went to incumbents. House Republicans received \$36.4 million, while Democratic candidates in the House received \$69.4 million in direct and indirect support.

PACs spent a total of \$610,107 on the reelection campaign of Rep. Richard A. Gephardt (D-Mo.) through the end of 1988. PACs supported Rep. Bill Emerson (R-Mo.) with \$579,478 and House Majority Leader Thomas S. Foley (D-Wash.) with direct contributions and independent expenditures totaling \$575,086. House Minority Leader Robert H. Michel (R-Ill.) got \$555,340, and Rep. John Hiler (R-Ind.) received a total of \$542,000 in PAC assistance through the end of 1988.

As in previous campaigns, most PAC dollars were spent on behalf of incumbents. The analysis showed that PAC support to incumbent members of Congress totaled \$117.5 million. Challengers to incumbents received directly or indirectly \$35.6 million, while candidates competing for the relatively few open seats received \$19.4 million, including \$16 million to all 1988 presidential candidates.

Democrats received \$99 million in direct or indirect contributions from PACs, while Republicans got \$72.2 million.

PACs: THE GIVERS AND THE TAKERS

More than \$172 million flowed from 3,683 political action committees (PACs) to support the election bids of 873 House candidates, 101 Senate candidates and 25 presidential candidates last year.

And if those numbers aren't enough, what follows is a more detailed look at who got what from whom.

The dollar totals are based on a computer analysis by The Washington Post of Federal Election Commission (FEC) contributions data collected through the end of 1988. The totals include direct PAC contributions to political campaigns and independent expenditures made on behalf of a candidate—a type of support that falls outside FEC contribution limits.

These totals differ, in some cases by millions of dollars, from those released by the FEC, which does not include some types of PAC support to candidates in its published totals.

Taken together, the numbers suggest the high price of politics in 1988—a price many were willing to pay.

Total PAC Support: \$172,455,051

To:	
All candidates.....	\$172,455,051
Republican candidates.....	72,198,597
Democratic candidates.....	99,015,058
Candidates after election day....	2,447,689
Incumbents.....	117,496,852
Challengers.....	35,559,033
Candidates for open seats.....	19,399,166
Presidential candidates.....	16,062,059
Senatorial candidates.....	50,006,998
House candidates.....	106,385,994
Incumbent senators.....	31,107,577
Challengers for Senate seats.....	8,868,816
Candidates for open Senate seats.....	10,030,605
Incumbent House members.....	86,389,275

Challengers for House seats.....	10,628,158
Candidates for open House seats.....	9,368,561
Senate Republicans.....	24,005,638
Senate Democrats.....	25,417,555
House Republicans.....	36,356,509
House Democrats.....	69,418,298
Incumbent Republican senators.....	14,972,014
Incumbent Democratic senators.....	16,135,563
Republican challengers for Senate seats.....	3,617,186
Democratic challengers for Senate seats.....	4,667,825
Republican candidates for open Senate seats.....	5,416,438
Democratic candidates for open Senate seats.....	4,614,167
Incumbent Republicans in House.....	30,325,095
Incumbent Democrats in House.....	55,467,104
Republican challengers for House seats.....	2,426,095
Democratic challengers for House seats.....	8,191,755
Republican candidates for open House seats.....	3,605,319
Democratic candidates for open House seats.....	5,759,439
Bush.....	10,357,970
Dukakis.....	2,447,973
Republican Presidential candidates.....	11,836,450
Democratic Presidential candidates.....	4,179,205
Candidate support from:	
Corporate PACs.....	55,367,732
Corporate PACs to Republicans.....	29,604,527
Corporate PACs to Democrats.....	25,582,981
Labor PACs.....	34,945,013
Labor PACs to Republicans.....	2,440,310
Labor PACs to Democrats.....	32,059,982
Special interest groups.....	41,031,569
Special interest groups to Republicans.....	18,828,318
Special interest groups to Democrats.....	21,921,781
Other PACs.....	41,110,737
Other PACs to Republicans.....	21,325,442
Other PACs to Democrats.....	19,450,314

PAC support to House candidates:	
Richard A. Gephardt.....	610,107
Bill Emerson.....	579,478
Thomas S. Foley.....	575,086
Robert H. Michel.....	555,340
John Patrick Hiler.....	542,000
David E. Skaggs.....	525,605
Jim Moody.....	525,497
Nancy Pelosi.....	524,130
Vic Fazio.....	512,580
Robert T. Matsui.....	482,414
PAC support to Senate candidates:	
Lloyd Bentsen.....	2,361,795
Pete Wilson.....	1,932,412
Chic Hecht.....	1,748,551
Trent Lott.....	1,713,030
Dave Durenberger.....	1,679,007
Connie Mack.....	1,589,878
Frank Lautenberg.....	1,475,373
James Sasser.....	1,401,418
John Heinz.....	1,357,849
George Voinovich.....	1,356,958
Top PAC spenders: PAC name and total support given to '88 candidates:	
National Security PAC.....	8,524,679
Realtors PAC.....	4,143,821
American Medical Association PAC.....	3,068,486

Democratic Republican Independent Voter Education Committee (Teamsters).....	2,731,249
Auto Dealers and Driver for Free Trade PAC.....	2,500,422
National Education Association PAC.....	2,054,254
National Association of Retired Federal Employees PAC.....	1,926,750
UAW-V-CAP (United Auto Workers Voluntary Community Action Program).....	1,922,099
National Committee to Preserve Social Security PAC.....	1,859,896
Association of Trial Lawyers of America PAC.....	1,795,308

The National Security PAC spent a total of \$8.5 million in support of candidates who ran for federal office in 1988; that total has been questioned, as it apparently includes some PAC operating expenses.

MOST SUPPORT FROM A SINGLE PAC

Candidate	PAC	Total support
Chic Hecht.....	Auto Dealers and Driver for Free Trade.....	\$525,539
Trent Lott.....	Realtors PAC.....	340,998
Connie Mack.....	Auto Dealers and Driver for Free Trade.....	337,550
Trent Lott.....	Auto Dealers and Driver for Free Trade.....	325,126
John D. Melcher.....	Realtors PAC.....	224,038

Mr. DOLE. No doubt about it, PAC's have earned some bad publicity lately. Ironically, political action committees were created as part of the sweeping post-Watergate reform movement. And now the reform, as happens too often—when you put the word "reform" on something everybody is for it—but now we need to reform the reforms that were brought about by Watergate.

PAC's were originally designed to give individuals more opportunity to participate in the political process at the grassroots level. Unfortunately, many PAC directors have forgotten this noble history. Looking at how PAC money is distributed, it is easy to see their game.

PAC's give to incumbents, and that is me and other incumbents in this Chamber, because access to an officeholder is more important than a Member's party, ideology, or even voting record on the issues, and I never knew you had to buy access.

But PAC directors defend their incumbency protection plan as a response to a lopsided system that overwhelmingly favors incumbents; in other words, their theory is that incumbents are going to win, so you better give your money to incumbents and they point to a 98-percent reelection rate posted by House incumbents last year to support their claim. By giving to incumbents, PAC directors argue that they are making a better investment.

Well, the American people may or may not buy that argument.

If our democratic system is going to work, challengers must have an opportunity to truly compete for elected office.

As a member of the Rules Committees who is genuinely interested in this issue, I am grateful to the chairman,

Senator FORD, and the ranking members, Senator STEVENS, for scheduling these hearings on a bipartisan basis. And they will be on a bipartisan basis.

I understand the first panel will be led by the distinguished majority leader and the second panel will be led by this Senator.

I look forward to an extensive debate in the committee. I know that we have some differences, but again, they are not major.

I believe there is an opportunity for bipartisan agreement on campaign finance reform.

I will speak as one who has been a big PAC recipient. I have my own PAC. So I am not here suggesting that I am right and everybody else is wrong. I read periodically that I am one of the top recipients of PAC contributions. So I do not stand here saying, "Well, I've never taken any PAC contributions."

But it seems to me that we ought to give the process back to the people and take it away from the PAC directors. PAC directors are all fine people, but they are looking for incumbency. If you are elected, you are going to stay elected as far as they are concerned regardless of party, regardless of ideology, unless you are just totally off the wall on an issue that might affect them.

I have respect for those who give their money to PAC's but maybe they should be able to earmark those contributions, because many times those who give PAC contributions never know what happens to the money, never know how it is disbursed until the election is over and then you go to these meetings and the PAC director stands up and says, "Boy, we've had another good year; 99-percent of the people we gave to won."

Obviously, you say, "How many challengers did you give to?"

"Oh, we don't give to challengers. We gave to two or three where there is an open seat; only where there is an open seat."

So I would say having been involved in the business of raising money at different levels, it is distasteful and I think many of my colleagues on both sides do not enjoy it. We know it is necessary and we have to have money. Sixty percent of it goes to television.

So I do not see any real reason for partisanship. I think there are only a couple of major areas where we are in disagreement.

I missed the debate last year. It was extensive and it was explosive.

But hopefully this year we can hammer out some provision that will demonstrate to the American people that we know it is asking too much to spend \$30 million on Senate races. It is a lot of money for a job that pays \$89,000 a year.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Kentucky.

Mr. FORD. Mr. President, since the distinguished Republican leader used my name as chairman of the Rules Committee and that we are going to start hearings on a bipartisan effort, I was somewhat discouraged not too long ago when those who have a finance reform bill called upon the Rules Committee to hold hearings and at the time they called upon us to hold hearings we had already scheduled them. So I hope that we can take this out of the political arena a little bit if we can and try to put it into a reasoned sort of way. It appears that we are getting into a PAC-bashing arena.

I understand that very well because I am a recipient of PAC contributions as is the distinguished Republican leader, and we admit that. That is the way we play the game.

But at some point we are going to have to put a cap on the amount of money we can spend. It is a little disheartening to some of those when there is an open seat when an individual can spend millions and millions of his own money to win a seat. That is as bad as accepting the PAC money.

So we have become a House of Lords almost when we are saying to those who have children, and they are trying to educate their children, we need their input in the discussion of the U.S. Senate and what the future might hold.

So I hope that in addition to considering the problems with PAC's that we also would give some sympathy to the limitation of the expenditure of funds as it relates to Senate campaigns.

Of course, they come right back and they say that gives the incumbent a lead that he has had an opportunity to get out and make speeches, he is a Senator, and that sort of thing.

But by spending millions and millions of dollars, it forces then even an incumbent to attempt to try to raise additional funds that would not necessarily be needed.

So I hope that we can find a way in the next few weeks to come to an agreement where we can get into reforming the finance of our political campaigns and also we can put some kind of a cap on the expenditure within these various and sundry races.

I look forward to working with the majority leader and the Republican leader to that end.

I thank the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, if there is one thing on which we all can agree, Members of the Senate, Republicans, Democrats, citizens, it is that American political campaigns are too long and too expensive.

I am encouraged by the emphasis given to this matter by the distinguished Republican leader, and I join him in commending the chairman of

the Rules Committee for proceeding promptly to hearings on this matter.

I believe that both of the major political parties have failed to meet their responsibilities to the American people in this area, both have confused their political interests with the public interest, and it is my hope that in the spirit in which the Republican leader discussed the subject today, that of bipartisanship and good faith, willingness to compromise, we can this year achieve meaningful political campaign reform.

It is urgently necessary. The sums involved reach record levels with each election. The time demands upon Senators to engage in fundraising continue to increase, and the possibility for corrupting influences in the legislative process grows accordingly.

I hope very much that we, both the distinguished Republican leader and myself and our colleagues on each side, will be able to put aside the difficulties of the past, especially last year—I noticed the distinguished Republican leader said he missed the debate; believe me, he did not miss anything—and also can put aside attempting to calculate what is the immediate political interest of our party in a particular change. Because, as we have seen during the past decade, when we try to do that, almost invariably we get wrong the political effect and the substantive effect.

The overwhelming singular feature of the current system is the advantage it gives to incumbents. What we have to do is to try to structure something that incumbents will vote for and yet that is fair to all concerned, especially to the American people.

So I just want to make clear that, on behalf of the Democrats in the Senate, we accord this matter a very high priority and we will be making a maximum effort to achieve meaningful campaign finance reform in this Congress.

Mr. BYRD. Will the distinguished majority leader yield?

Mr. MITCHELL. I yield the floor.

Mr. BYRD. I just want to say that I am delighted there is interest being shown in campaign financing reform. Proponents spent many days over a period beginning in June of 1987 and spanning 9 months trying to invoke cloture on campaign finance reform. We endeavored eight times to invoke cloture—and failed. So I hope there is beginning to be some constructive movement on this important issue. It is an idea whose time has long past come. I still maintain that there can be no genuine campaign finance reform without a limitation on overall campaign expenditures.

I congratulate the chairman of the Senate Committee on Rules and Administration for the hearings which he has scheduled beginning on Wednes-

day. I will be appearing at those hearings, along with Senator MITCHELL and Senator BOREN and other Senators. I hope that the committee can address the matter and report out some meaningful legislation and that it can be taken up on the floor and that this year campaign finance reform will pass.

Mr. President, I yield the floor.

EXTENSION OF MORNING BUSINESS UNTIL 4:45 P.M.

Mr. MITCHELL. Mr. President, I know we have at least two Senators wishing to speak, possibly three. Therefore, I ask unanimous consent that the time for morning business today be extended to 4:45 p.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGIONAL DISPARITIES IN MEDICARE PHYSICIAN REIMBURSEMENT

Mr. GRASSLEY. Mr. President, recently I received a most interesting position paper from the Iowa Medical Society.

This paper documents what physicians in my State and other States of the upper Midwest have realized for some time, namely, that there are large differences in Medicare physician reimbursement from one area of the country to another for the same services.

Of particular interest to Iowa physicians, and this Senator from Iowa, is that physicians in my own State, and in the west north central part of the country generally—that is Iowa, Minnesota, Missouri, North Dakota, South Dakota, Nebraska, and Kansas—clearly receive much lower compensation for their services to Medicare beneficiaries than do physicians in other parts of the country.

In fact, it is even the case that physicians in different regional areas within the State of Iowa receive significantly different levels of Medicare reimbursement for the same services.

These assertions, and the remainder of my remarks, are based on prevailing charge reports completed by the Minnesota Medical Association using Health Care Financing Administration part B Medicare annual data for 1986. They reflect the controlling prevailing charge levels actually used to determine reimbursement to participating physicians.

Let us take variations within Iowa first. The Iowa Medical Society analysis shows that in Clinton, IA, intermediate service provided in a hospital emergency department by a family physician would be reimbursed at \$9. This amount includes copayments and deductibles. The same service provided

by a family physician in Davenport would be reimbursed at a rate of \$17, a 90-percent difference, and only 40 miles separating the two communities.

A general surgeon in Fort Dodge receives \$50 for a comprehensive initial consultation. In Carroll, just 50 miles away, a general surgeon receives \$75 for the same service, \$25, or 50 percent, more.

The differences between Iowa and other parts of the country are even more striking. For initial comprehensive hospital care by a family physician, Medicare controlling prevailing charges in most Iowa localities are set at \$44. But in the Pacific region of the country, the average Medicare controlling prevailing charge is \$105, more than twice what it is in Iowa. The national average for this service is \$76, some 73 percent higher than in most Iowa localities.

That may be an extreme example. But I think that one will find in virtually all procedures that physicians in Iowa are compensated less, and sometimes substantially less, than physicians in other areas by Medicare.

According to the Iowa Medical Society, in a ranking of overall average reimbursement levels for all services, the seven Iowa localities rank from 184th to 222d nationally, with 226 being the lowest reimbursement rank for the entire country.

So what, you may ask? Is it not generally cheaper to practice in Iowa? Well, it is not so clear that medical practice-related costs in Iowa are so much cheaper, or, at any rate, whether they are cheaper enough to warrant reimbursement differences of this magnitude.

Indeed, the Iowa Medical Society reminds us that current reimbursement levels are based on historical charge patterns prevalent in the 1970's. It is the position of the Iowa Medical Society that these prevailing charges bear little or not relationship to current practice costs in Iowa.

And I want to point out, just in case it is not obvious, that such reimbursement disparities affect not just physicians, but have more general consequences for the availability of health care in Iowa.

These disparities affect also Medicare beneficiaries, all other Iowans, and other health and allied health professionals in Iowa.

Medicare beneficiaries are affected because physicians will become more and more reluctant to accept Medicare assignment if the reimbursement they receive from Medicare is so low it hardly begins to cover the cost of offering the service. Low Medicare physician reimbursement, in other words, causes a shift in the payment load from Medicare to the individual beneficiary.

In fairness I should point out that higher physician reimbursement levels

will mean higher copayments for Medicare beneficiaries, but that should be offset by a greater willingness of physicians to accept assignment.

These reimbursement disparities also involve a subsidization by Iowa taxpayers of Medicare beneficiaries and physicians in other parts of the country where reimbursement levels are higher.

Iowans who are not Medicare beneficiaries, and who require the services of a physician, are also affected.

Inadequate Medicare reimbursement means that a certain amount of cost-shifting to non-Medicare beneficiaries will occur. If physicians do take assignment, or are not compensated by the Medicare patient for the amount the physician charges above what Medicare will reimburse, then cost-shifting can also result.

The people of my State are also affected because inadequate physician reimbursement can make it difficult to attract physicians to the State. Why should young physicians come to Iowa when they can locate and establish a practice elsewhere where Medicare reimbursement is so much more generous?

Or, if they are established in Iowa in a practice dependent on Medicare, why should they stay there, when they can leave to reestablish themselves elsewhere where Medicare reimbursement is higher?

Other health and allied health professionals, who staff the clinics and doctors' offices, and who are dependent on the presence of physicians, and to some extent on the level of Medicare reimbursement those physicians receive, may also be discouraged from coming to Iowa or encouraged to relocate elsewhere.

Mr. President, many of us who represent rural communities are losing patience with the gross inequities inherent in Medicare reimbursement for the citizens of our States. In that regard, we are looking forward to participating in the ongoing discussions on Medicare physician payment reform.

We hope that the Physician Payment Review Commission, as it reviews reimbursement reform proposals, will keep in mind the concerns we have about regional disparities of the sort I have been discussing here. We anticipate that our citizens will be more fairly treated by Medicare when a physician payment reform is in place.

I will sum up by saying that I hope the proper committees in both Houses of Congress will take a look at this and see if we cannot work out these disparities and really make it more equal, because if we do not enhance the reimbursement for physicians and enhance the position of physicians within my State and the other States of the

upper Midwest we are not going to get the physicians and medical care is going to decline further in the rural areas of America.

Mr. President, I ask unanimous consent that the Iowa Medical Society's position paper be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEDICARE REIMBURSEMENT TO IOWA PHYSICIANS

Federal "controlling prevailing charges" under Medicare bear little or no logical relationship to current practice costs in Iowa. The controlling prevailing charge is the amount the Health Care Financing Administration (HCFA) uses to determine the reimbursement for Medicare B (physicians' services) unless the physician's actual charge or customary charge is lower. The actual payment from Medicare is subject to co-payments and deductibles, which are the patient's responsibility. Beginning with 1987 reimbursements, the controlling prevailing charge for non-participating physicians (those who do not accept the Medicare allowed charge as full reimbursement 100% of the time) is less than that for participating physicians. For further details, see the section title "Calculation of the Prevailing Charge".

While the prevailing charge limits apply to physicians who participate in Medicare, non-participating physicians are also limited in how much they can charge Medicare patients through the Maximum Allowable Actual Charge (MAAC) limit imposed by Medicare. The MAAC constitutes an actual charge limit on each Medicare charge of a non-participating physician, thus prohibiting any physician who treats Medicare patients from charging his or her actual charge unless it is below the MAAC limit.

REGIONAL, NATIONAL VARIATIONS

A review of Medicare controlling prevailing charges shows considerable variation between regions in Iowa for the same service provided by physicians in similar practices. For example, using 1986 data, a general surgeon in Fort Dodge receives \$50 (including co-payments and deductibles) for a comprehensive initial consultation—\$25 less than a general surgeon in Carroll who receives \$75 for the same service. On the other hand, a urologist in Fort Dodge receives more for an initial consultation than would a urologist located in Carroll—\$105 in Fort Dodge compared with \$88 in Carroll.

In Clinton, intermediate service provided in a hospital emergency department by a family physician would be reimbursed at \$9. The same service by a family physician in Davenport would be reimbursed at a rate of \$17.

Differences between the Midwest and other parts of the country are even more striking. In a countrywide ranking of overall average reimbursement levels for all services, Iowa localities 1 through 7 range in ranking from 184 to 222, with 226 being the lowest reimbursement rank for the entire country. Even among Midwestern States, Iowa's overall rank is low.

A comparison of specific services with other parts of the country shows major variations between regions. In an extreme case, for initial comprehensive hospital care by a family physician, Medicare controlling prevailing charges in Iowa range from a low of \$33 in Iowa locality 1 (Southeast Iowa) with

Medicare controlling prevailing charges in most Iowa localities set at \$44. In contrast, the average Medicare controlling prevailing charge in the Pacific region of the country is \$105, well over twice the Medicare controlling prevailing charge in most Iowa localities. Even the national average of \$76, while much less than in the Pacific region, is nearly 73% higher than in most Iowa localities.

Efforts to prohibit Iowa physicians from charging their normal fees are particularly onerous when these inequities in the Medicare reimbursement system are considered. Regional variations in physicians' charges that existed in 1971 are locked in under the current system (see "Calculation of the Prevailing Charge") even though those reimbursement variations today may not be related in any way to today's practice costs.

Iowans pay taxes at the same rates as other U.S. citizens, yet the federal government chooses to reimburse Iowa physicians at rates that are significantly less overall than in most other parts of the country. This creates more pressure for physicians in rural states such as Iowa to balance bills than in regions where reimbursements are significantly higher, as in the New England states.

CALCULATION OF THE PREVAILING CHARGE

The controlling prevailing charge is the amount the Health Care Financing Administration (HCFA) used to determine the reimbursement for Medicare B (physician's services) unless the physician's actual charge or customary charge is lower. The actual payment from Medicare is subject to co-payment and deductibles, which are the patient's responsibility.

To calculate the prevailing charge, charges for a specific procedure by physicians in like specialties and like geographic localities are arranged in ascending order. The prevailing charge is calculated at the 75th percentile of the array (i.e. 75% of charges fall below the prevailing charge and 25% of charges exceed the prevailing charge).

Prevailing charges are further limited by the amount they may increase from one year to the next by the "Medical Economic Index" (MEI). Certain types of services (such as durable medical equipment, ambulance, and laboratory) are exempt from this economic index limitation. As the base period for calculation, HCFA used charges billed in calendar year 1971.

These prevailing charges became the basis for all future calculations of adjusted prevailing charge limitations. HCFA calculates the MEI used each year. The index is then multiplied times the base year prevailing charge, giving us the adjusted prevailing charge limitation for the year. When the adjusted prevailing charge is less than the prevailing charge calculated at the 75th percentile, the adjusted prevailing charge is used. This is almost always the case. The prevailing charge actually used for reimbursement is referred to as the controlling prevailing charge.

The prevailing charge for non-participating physicians is further limited as a result of the Omnibus Budget Reconciliation Act (OBRA) of 1986. The prevailing charge limit for non-participating physicians was calculated at 96 percent of the participating prevailing charge for services in 1987 and at 95.5% of the participating prevailing charge in 1988.

COMPARISON OF PREVAILING CHARGES FOR SELECTED PROCEDURE CODES IN SELECTED MEDICARE LOCALITIES

The following information is excerpted from prevailing charge reports completed by the Minnesota Medical Association using Health Care Financing Administration (HCFA) Part B Medicare Annual Data (B-MAD) tapes containing the 1986 controlling prevailing charge levels actually used to determine reimbursement to participating physicians.

Data for Michigan localities and 3 of 11 Wisconsin localities are not included. There are 226 medical localities nationally, 8 in Iowa. A map of Iowa localities is attached. Information regarding Iowa locality 8 is not included in the following charts because data collection methodology is not the same as for other Iowa localities.

Comparisons are made with other parts of the country using average dollar reimbursements within U.S. Census Bureau Regions. A list of states in those regions is attached.

PREVAILING MEDICARE CHARGES BY PROCEDURE CODE

[900-40—Office visit, established patient, brief service]

	Family practice	Internal medicine	Ophthalmology
New England.....	\$20	\$22	\$21
Pacific.....	18	21	19
West North Central.....	15	17	16
Iowa 1 (SE).....	13	17	15
Iowa 2 (NE).....	13	13	15
Iowa 3 (NC).....	13	16	15
Iowa 4 (SC).....	11	15	13
Iowa 5 (DM).....	15	16	15
Iowa 6 (NW).....	12	17	15
Iowa 7 (SW).....	13	18	17
National average.....	17	19	18

[90060—Office visit, established patient, intermediate service]

	Family practice	Internal medicine	General surgery
New England.....	\$31	\$31	\$28
Pacific.....	29	33	32
West North Central.....	28	24	21
Iowa 1 (SE).....	20	24	23
Iowa 2 (NE).....	19	25	20
Iowa 3 (NC).....	18	26	16
Iowa 4 (SC).....	17	22	17
Iowa 5 (DM).....	21	27	20
Iowa 6 (NW).....	16	24	18
Iowa 7 (SW).....	18	25	18
National average.....	24	26	26

[90220—Initial hospital care, comprehensive service]

	Family practice	Internal medicine	General surgery
New England.....	\$77	\$83	\$74
Pacific.....	105	108	101
West North Central.....	61	77	89
Iowa 1 (SE).....	33	66	55
Iowa 2 (NE).....	44	88	55
Iowa 3 (NC).....	44	66	44
Iowa 4 (SC).....	42	55	44
Iowa 5 (DM).....	55	77	55
Iowa 6 (NW).....	44	77	44
Iowa 7 (SW).....	44	77	55
National average.....	76	88	81

[90515—Emergency department visit, intermediate service]

	Family practice	Internal medicine	General surgery
New England.....	N/A	\$34	\$37
Pacific.....	70	75	76
West North Central.....	32	41	35

[90515—Emergency department visit, intermediate service]

	Family practice	Internal medicine	General surgery
Iowa 1 (SE).....	17	22	33
Iowa 2 (NE).....	9	33	33
Iowa 3 (NC).....	17	33	33
Iowa 4 (SC).....	17	33	33
Iowa 5 (DM).....	17	33	33
Iowa 6 (NW).....	17	33	33
Iowa 7 (SW).....	17	33	33
National average.....	44	49	49

[90620—Initial consultation, comprehensive]

	Internal medicine	General surgery	Urology
New England.....	\$90	\$80	\$85
Pacific.....	111	104	98
West North Central.....	89	77	88
Iowa 1 (SE).....	88	80	80
Iowa 2 (NE).....	100	52	55
Iowa 3 (NC).....	88	88	88
Iowa 4 (SC).....	66	75	99
Iowa 5 (DM).....	110	110	105
Iowa 6 (NW).....	95	50	105
Iowa 7 (SW).....	88	75	88
National average.....	94	85	84

Prevailing Medicare Charges by Procedure Code

SURGERY

58150—Total hysterectomy:	
New England.....	\$1,077
Pacific.....	1,192
West North Central.....	865
Iowa 1 (SE).....	887
Iowa 2 (NE).....	776
Iowa 3 (NC).....	887
Iowa 4 (SC).....	887
Iowa 5 (DM).....	887
Iowa 6 (NW).....	776
Iowa 7 (SW).....	887
National average.....	1,011

27130—Total hip replacement:	
New England.....	\$2,417
Pacific.....	3,121
West North Central.....	2,112
Iowa 1 (SE).....	2,218
Iowa 2 (NE).....	2,218
Iowa 3 (NC).....	2,191
Iowa 4 (SC).....	2,000
Iowa 5 (DM).....	2,218
Iowa 6 (NW).....	2,107
Iowa 7 (SW).....	2,218
National average.....	2,692

MEDICARE PREVAILING CHARGES—IOWA LOCALITIES' RANKING COMPARED NATIONWIDE

Of the 226 Medicare localities nationwide, Iowa localities rank as follows with 1 being the highest overall reimbursement and 226 having the lowest overall reimbursement.

Locality	Rank
Iowa 1 (SE).....	213
Iowa 2 (NE).....	216
Iowa 3 (NC).....	215
Iowa 4 (SC).....	222
Iowa 5 (DM).....	184
Iowa 6 (NW).....	220
Iowa 7 (SW).....	195

UNITED STATES CENSUS AREAS

New England

Maine	Massachusetts
New Hampshire	Rhode Island
Vermont	Connecticut

East North Central

Ohio	Michigan
Indiana	Wisconsin
Illinois	

South Atlantic

Delaware	North Carolina
Maryland	South Carolina
Washington, DC	Georgia
Virginia	Florida
West Virginia	

East South Central

Kentucky	Alabama
Tennessee	Mississippi

Mid-Atlantic

New York	Pennsylvania
New Jersey	

West North Central

Minnesota	South Dakota
Iowa	Nebraska
Missouri	Kansas
North Dakota	

Mountain Division

Montana	New Mexico
Idaho	Arizona
Wyoming	Utah
Colorado	Nevada

West South Central

Arkansas	Oklahoma
Louisiana	Texas

Pacific

Washington	Alaska
Oregon	Hawaii
California	

The PRESIDING OFFICER. The Senator from Nevada.

THE STILLWATER MARSHES

Mr. REID. Mr. President, the State of Nevada is known for many things. It is known for testing weapons; the Nevada test site is located in Nevada. It is known for Nellis Air Force Base and the Fallon Naval Air Station. And now they are talking about putting a nuclear repository in the State of Nevada.

But, Mr. President, Nevada is much more than a place for testing weapons and trying to place a nuclear repository. For about 10,000 years, the Stillwater Marshes have been part of the great migratory pattern for waterfowl in North America. I visited this beautiful area during our last break. This 10,000-year-old source of beauty and wildlife is drying up, literally disappearing before our eyes.

This great marsh area used to cover 100,000 acres. Now, it stretches for less than 3,000 acres. That shrinkage is causing great harm to North American waterfowl and our entire continent.

We were able, while I was there, to find one nesting area for Canadian geese. That's all that is left of hundreds of nesting areas. It used to be that on these islands in the Stillwater Marsh, there would be 200 nesting areas for Canadian geese. That abundance is now history.

Because of the Newlands project of the Bureau of Reclamation; because of the growth in the area; and because of

endangered species, this area is drying up. There are many reasons for this environmental tragedy.

Every year, there are hundreds of thousands of ducks, thousands of geese, and thousands of swans that use this unique sanctuary.

In fact, located 60 miles away is an island called Anaho in Pyramid Lake. It is by far the primary home for white pelicans. This is a story of nature and of nature being in trouble, because these white pelicans in Pyramid Lake have nothing to eat.

These white pelicans fly 60 miles every day to eat and take food back to their young offspring. But, Mr. President, that is just part of the tragedy. There are no young pelicans being born. Why? Because there is nothing to eat in Stillwater. If something does not happen soon, these white pelicans will be gone forever. Nevada's loss, and this is the largest, will be the country's loss, too, for Stillwater is the largest nesting area for white pelicans in North America.

This disappearing natural habitat is not just important to Nevada. It affects the entire North American Continent because it is the only place in the Great Basin where they can come and feed for their winter trip to South America. The food they used to eat in the Stillwater Marshes—small crabs, shrimp, flies—will no longer be there. We have to do something. And we have to do it soon.

There is going to be legislation introduced in the next few weeks that will allow fresh water to be purchased for Stillwater. This legislation is important to the whole continent and, unless we do something soon, it will be a thing of the past. And that would be a tragedy for all America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

THE FSX SALE: NOT IN OUR NATIONAL INTEREST

Mr. DIXON. Mr. President, I would like to take a few moments to discuss the proposed FSX sale, a subject I have warned about on this floor several times before. The FSX Program involves the sale of F-16 fighter technology to Japan as proposed in the United States-Japanese fighter codevelopment program.

The General Accounting Office just last week gave a briefing on its preliminary findings on this codevelopment Japanese FSX aircraft program. To sum up the GAO conclusions in a few words: "We know what the Japanese are getting from the United States; we don't know what we are getting from the Japanese!"

According to the GAO, what we are giving the Japanese is something that they greatly lack the ability to learn,

aircraft systems integration. We, in turn, are to receive Japanese composite wing technology which they have not produced and which many of our leading aircraft companies already have. We will also receive new radar technology which the Japanese have not proven out. Here again we have companies in the United States which are way ahead of the Japanese. Why does the Defense Department want this deal? Are we giving away our technology for political expediency?

We are told that if we did not agree to this technology transfer, the Japanese were prepared to go it alone and develop their own fighter. I do not accept that premise, however, and I do not believe we ever really seriously tried to convince the Japanese to purchase the F-16 or another American aircraft instead.

Not very long ago, Israel decided not to proceed with development of a new home-built fighter aircraft, the Lavi. Israel exists in a very high-threat environment. Israel has a fighter air force considerably larger than Japan's—582 fighter aircraft for Israel versus 307 for Japan. There were substantial incentives for Israel to develop its own aircraft, yet its leaders chose to buy from the United States instead. Israel did so because the country could save substantial defense dollars by doing so, and because we devoted high-level attention to making our case for purchase from us rather than manufacture in Israel.

On the other hand, article 9 of the Japanese Constitution states:

The Japanese people forever renounce war as a sovereign right of the Nation and the threat or use of force as a means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the State will not be recognized.

Japan, therefore, maintains only self-defense forces. It relies on the U.S. defense umbrella for a large portion of its protection. As a matter of Government policy, Japan does not export arms.

It therefore makes an awful lot of sense for Japan to do what Israel is doing: Buy its fighter aircraft from the United States.

Buying F-16's would be the most cost-effective alternative for Japan. Japan spends approximately 1.5 percent of its GNP on defense, as opposed to 6.7 percent for the United States. Buying American would save roughly \$30 million per aircraft over the proposed codevelopment program, giving the Japanese a lot more defense bang for each buck.

Moreover, it is sound trade policy for the Japanese. Japan runs persistent trade surpluses with the United States that exceed \$50 billion annually. Buying American defense weaponry can help reduce that deficit.

Finally, buying American fighter aircraft would provide convincing evidence that the Japanese are not using Government policy, as opposed to market forces, to build another export-driven industry. The policy of the Japanese Government is not to export defense items. The only real reason for Japan to insist on building its own fighter aircraft, therefore, has nothing to do with legitimate defense concerns. It could only be a Japanese desire to use the Japanese Government to build a civilian-oriented aerospace industry designed to challenge United States world leadership in this area.

The United States can make a compelling case for a Japanese purchase of United States-built F-16's instead of the FSX Program approach, Mr. President. Yet I have never heard any high-level American official attempt to make our case to Japan. In the case of the Lavi fighter program in Israel, there was a constant series of articles in the press on our efforts to convince Israel to abandon the idea of building its own fighter and buying American instead. We worked hard to convince Israel of the merits of our position, and we succeeded.

In this situation, however, American officials seemed to make no real effort to convince the Japanese to buy American, instead taking as a given the Japanese argument that fighter aircraft are somehow special.

The administration failed to consult with Congress when it negotiated the FSX sale. Now, feeling that it is committed, the administration is trying to reduce congressional opposition and opposition from many Cabinet Departments, including Commerce, and other executive branch officials by fine-tuning the transfer program.

Well, Mr. President, fine-tuning is not what is required; scrapping is what is needed. This agreement should be killed. We should go back to the negotiating table and begin to make our case for a Japanese purchase of F-16's or another American-built fighter aircraft.

Mr. President, Japan is one of our closest allies. It is one of our largest trading partners. We have a warm, friendly relationship with Japan, and it is in our national interest to maintain and build on that relationship.

The United States, however, is not the only party with an interest in a United States-Japan relationship. We sometimes seem to forget that our current, strong friendship with Japan is just as much in the interests of the Japanese as it is in ours. We are not the only ones who are forgetful—on some occasions, the Japanese also seem to forget that friendship between the United States and Japan entails obligations on their part and not just benefits for them.

The most recent example of Japanese forgetfulness of the obligations of their friendship involves the FSX Program, a subject I have warned about on this floor before. The FSX Program involves the sale of F-16 fighter technology to Japan as proposed in the United States-Japanese Fighter Codevelopment Program. I oppose the sale because I do not believe it is in the long-term national interest of the United States. I also oppose it because I do not believe it is in the long-term national interest of Japan if the Japanese take the time to view the sale in its total context, rather than simply focusing on its commercial potential for Japan, as they have done thus far.

Unfortunately, neither the United States nor Japan has been thinking long term. Instead, both parties have been thinking solely about short-term costs and benefits. That is a serious mistake, Mr. President. It is a mistake both for us and for them.

The argument for the technology transfer from the U.S. point of view is based on four points:

First, the sale is in our national and foreign policy interests;

Second, it will produce jobs for U.S. defense contractors;

Third, the United States will receive Japanese technology that will benefit our national security as a result of the transfer; and

Fourth, if we do not transfer the technology, the Japanese will simply build their own fighter.

Each of these arguments is flawed because each of them is based on a too narrow review of the FSX Program's actual merit.

I agree with the administration that it is important for the Japanese to modernize and expand their fighter aircraft force; that development is clearly in the national security and foreign policy interests of both the United States and Japan. However, I am afraid that the administration is using the undisputed merit of that general proposition as an argument for a much more dubious idea—that the transfer of F-16 technology to Japan is the best way to achieve the modernization of the Japanese fighter force in a mutually acceptable way.

The General Accounting Office just last week gave a briefing on its preliminary findings on the codevelopment Japanese FSX Aircraft Program. To sum up the GAO conclusions in a few words: "We know what the Japanese are getting from the United States; we don't know what we are getting from the Japanese!"

According to the GAO, what we are giving the Japanese is something they greatly lack the ability to learn, aircraft systems integration. We, in turn, are to receive Japanese composite wing technology which they have not

produced and which many of our leading aircraft companies already have. We will also receive new radar technology which the Japanese have not proven out. Here again we have companies in the United States which are way ahead of the Japanese. Why does the Defense Department want this deal? Are we giving away our technology for political expediency?

The simple truth is that the best way to modernize the Japanese fighter force—best for the United States and best for Japan—is for Japan to purchase United States built F-16's. Outright purchase is the cheapest way for the Japanese by far, and it will provide them with the fighters much more quickly than would the codevelopment program.

The administration, in negotiating this transfer, took a narrow, short-term view of our national security and foreign policy interests. Our negotiators failed to take our long-term economic interests into account. In fact, the process used to date seems designed to ignore the fundamental economic interests on which our basic national security ultimately depends.

The administration has failed to recognize that the primary short-term Japanese interest is not defense related, but rather the development of the kind of aerospace industry capable of competing across the full range of world markets. Japan does not have such an industry at the moment, but 30 years ago they did not have much of a semiconductor industry either, and we all know how things have changed in that industry. Yet, instead of thinking of the long-term health of our world heading aerospace industry, administration negotiators seem intent on aiding the establishment of another competitor in world markets, this time in the aircraft industry.

The risks of this shortsighted approach can be seen in what has happened to the United States semiconductor industry, which was also the undisputed world technology leader not very many years ago. As a result of the fierce Japanese competition, which was substantially aided by Japanese Government policy, our Defense Department has been forced to help finance Sematech, a consortium of United States semiconductor firms, to try to ensure that we remain competitive in the market we used to dominate.

I am not arguing, Mr. President, that we should be governed by protectionist concerns. I am not arguing that we should try to stop Japan from developing its aerospace industry. What I am arguing is that we need to at least consider the long-term implications of decisions the Government makes on the economic health and basic competitiveness of industries that are so important to our national security and our overall economy.

What I am arguing is that we should not be making it easier for the Japanese Government to finance the expansion of its aerospace industry.

Instead of considering the long-term competitive implications of the program, however, we have been treated to a simplistic analysis of the jobs involved in the technology transfer program. I am as concerned about jobs as anyone, but I am interested in jobs that will be here 20 years from now, not just jobs that will last a few years. It is also worth remembering that selling F-16's to Japan will create far more jobs than the technology transfer will.

We are told by the Defense Department and those defending this technology transfer that we will receive Japanese advanced radar and composite manufacturing technology in return and that codevelopment will benefit us both. I am the first to admit that we make considerable use of Japanese technology in the United States for both civilian and military purposes. I am well aware, for example, that we make considerable use of Japanese chips in the F-16 and in other advanced weapons, and that we use foreign-made machine tools in some critical defense applications. The world is increasingly interdependent, and we cannot go it alone. However, the issue is not whether technology transfer between two strong allies is good in the abstract. Rather, the question is whether this specific technology transfer is in our interest—whether its benefits are greater than its costs.

Viewed that way, the answer is clear: It is not a good deal. The few benefits we will receive are overwhelmed by the huge adverse effects this sale will have on the United States and our aerospace industry.

The final argument used by the administration negotiators is the weakest of all. We are told that if we did not agree to this technology transfer, the Japanese were prepared to go it alone and develop their own fighter. I do not accept that premise, however, and I do not believe we ever really seriously tried to convince the Japanese to purchase the F-16 or another American aircraft instead.

Not very long ago, Israel decided not to proceed with development of a new home-built fighter aircraft, the Lavi. Israel exists in a very high-threat environment. Israel has a fighter air force that is considerably larger than Japan's—582 fighter aircraft for Israel versus 307 for Japan. There are substantial incentives for Israel to develop its own aircraft, yet Israel's leaders chose to buy from the United States instead. They did so because they could save substantial defense dollars by doing so, and because we devoted high-level attention to making our case.

On the other hand, article 9 of the Japanese Constitution states:

The Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.

Japan, therefore, maintains only self-defense forces. It relies on the U.S. defense umbrella for a large portion of its protection. As a matter of government policy, it does not export arms.

Common sense tells us that this is a strong rationale for Japan to do what Israel is doing: Buy its fighter aircraft from the United States. This would demonstrate their trust in the United States as an ally.

Further, this approach would be the most cost-effective alternative for Japan. Japan spends only approximately 1.5 percent of its GNP on defense, as opposed to 6.7 percent for the United States. Buying American would save roughly \$30 million per aircraft over the proposed codevelopment program, giving the Japanese a lot more defense bang for each buck.

There are other strong reasons for Japan to buy the F-16 off the shelf. Buying our aircraft would represent, in some small way, a recognition of the security benefits the Japanese receive and the substantial financial savings that result from being under the protection of the American defense umbrella.

Further, it is sound trade policy for the Japanese. They run persistent trade surpluses with the United States that exceed \$50 billion annually. Buying American defense weaponry can help reduce that deficit.

Finally, buying American fighter aircraft would provide convincing evidence that the Japanese are not using government policy, as opposed to market forces, to build another export driven industry. Japan has a very limited market for fighter aircraft. The policy of the Japanese Government is not to export defense items. The only reason for Japan to insist on building its own fighter aircraft, therefore, has nothing to do with legitimate defense concerns. It could only be the desire to use the Japanese Government to build a civilian-oriented aerospace industry designed to challenge United States world leadership in this area.

The United States can make a compelling case for a Japanese purchase of United States-built F-16's instead of FSX Program approach, Mr. President. Yet I never have heard of any high level American official attempt to make the case to Japan. In the case of the Levi Fighter Program in Israel, there was a constant series of articles in the press on our efforts to convince

Israel to abandon the idea of building its own fighter and buying American instead. We worked hard to convince Israel of the merits of our position, and we succeeded.

In this situation, however, American officials seemed to make no real effort to convince the Japanese to buy American, instead taking as a given the Japanese argument that fighter aircraft are somehow special.

We have heard this argument from Japan before. Rice is special; beef is special; supercomputers are special. In fact, quite a few areas where the United States has a cost or technological advantage seem to be special. I think we cannot afford to sit idly by and accept that position. We must challenge it when required by our long-term national interests. The United States-Japan relationship is not so fragile that it cannot withstand discussions on issues where we disagree.

The administration failed to consult with Congress when it negotiated the FSX sale. Now, feeling that it is committed, the administration is trying to reduce congressional opposition and opposition from many Cabinet departments and other executive branch officials by fine tuning the transfer program.

Mr. President, fine tuning is not what is required; scrapping is what is needed. This agreement should be killed. We should go back to the negotiating table and begin to make our case for a Japanese purchase of F-16's or another American-built fighter aircraft.

Over the longer term, we need to change the way we make these decisions, to see that the full range of American interests is considered. That means giving the Department of Commerce a much greater role. The Defense Department has a major role in the export of civilian technology with military implications. The Commerce Department must have a role in the export of military technology with civilian implications.

However, that is for the future. What we must do now is stop the FSX program. It is a bad deal for the United States. It is a bad deal for Japan. It is a bad deal for the United States-Japanese relationship. The deal should never have been made; it should not be implemented. It is time to start over.

Mr. President, I ask unanimous consent that an editorial from the St. Louis Post Dispatch, a distinguished newspaper in my part of the world of southern Illinois, of April 10, 1989, entitled "40 Percent of a Loaf" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

40 PERCENT OF A LOAF

President Bush reportedly favors going ahead with the U.S.-Japanese FSX fighter plane deal if Japan agrees to "certain clarifications." After some debate, the Japanese appear willing to accept these changes. But no one yet knows whether Congress will accept them—or even whether the new deal itself is in this country's interest.

The United States is running a trade deficit with Japan of \$50 billion a year, and few U.S. products that the Japanese could buy in quantity would bring down that figure. Military aircraft happen to be one of them.

Yet when Japan approached the Pentagon with a plan to obtain an updated version of the General Dynamics F-16 fighter-bomber, the Japanese refused to consider an "off-the-shelf" purchase of the aircraft. Rather, Japan offered a lopsided deal. Of the \$1.2 billion in development costs, U.S. firms would get at most 40 percent, along with some vague Japanese promises that U.S. companies would get some production subcontracting as well. Putting politics ahead of the trade deficit, the Pentagon approved the plan—to the protests of Congress and the Commerce Department.

Mr. Bush's "clarifications" would seek to firm up the Japanese promises of production contracts. Not half a loaf but maybe 40 percent of a loaf, the White House seems to be saying.

But there is another issue, as Rep. Richard Gephardt of St. Louis points out: "While we can't prevent Japan from building its own aerospace industry, there is no reason we have to subsidize it." Whether the new Bush proposals will prevent that is unclear. That is why Congress must carefully review these changes. If the safeguards promised on technology transfers and new contracts are not tight enough, the deal should fail.

Mr. DIXON. Mr. President, I ask unanimous consent to make a few remarks on another subject in view of the fact no one at this time desires taking the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, the major order of business before us is the minimum wage bill. My understanding of the order of business set by the distinguished leader and others on the leadership team is that tomorrow we will vote on a couple of amendments; essentially, the committee amendment which expresses the point of view of the majority side, calling for a \$4.55 minimum wage and a 60-day training period. I understand that thereafter it will be followed by a vote on an amendment reflecting the administration's point of view which an oversimplification, if I may say, is for a \$4.25 minimum wage with a 6-month training period.

I would just like to say, Mr. President, that I certainly expect to support the position of my side. As majority chief deputy whip, it is my privilege to say that I have supported the effort on this side over the past several years to exact from the Congress and past administrations the necessary support to enact a new minimum wage. I believe it is called for. The

time has passed us when we should have done something, Mr. President.

I said last year in remarks here that I was out in Aurora and Elgin, IL, in Kane County, when we were considering the minimum wage bill. I made a speech in Aurora and traveled over to Elgin. In doing so, I passed a McDonald's hamburger stand, and on the marquee outside the hamburger stand was a help wanted sign offering \$4.35 an hour, a dollar over the minimum wage in not the most urban area of my State, but certainly a distinguished and important urban area of Illinois.

The point that was made clear to me at that time, Mr. President, was that the marketplace has advanced beyond the Congress in dealing with this social need.

I have talked to my distinguished friend, the minority leader, for whom I have the greatest personal admiration and highest personal regard, as well as, for his fine wife, who is the distinguished Secretary of Labor about this issue. I have suggested to the minority leader and to his distinguished wife, who is doing such a fine job as Secretary of Labor, that I wish the two sides could find some accommodation on this. We wasted a year last year. I do not think we do any service for the ordinary folks out there who are on the poverty line and need this additional money by arguing over the small differences remaining between the two sides on this issue.

I began my career as a police magistrate back in Belleville, which is equivalent in these days to the justice of the peace system. We had a method of doing this. We split the difference sometimes. I only want to say to the President and others that maybe others should support this concept. I have met with my colleagues, the leadership on the majority side and the distinguished chairman of the committee, TED KENNEDY, and others, I hasten to add, Mr. President. Seeing the Senator from Massachusetts on the floor, I would like him to know that I was taking an opportunity when the floor was available and my dear friend and colleague, for whom I have the greatest admiration, was present to say I think it is a great disservice to the ordinary folks in this country who are dependent upon this minimum wage to make a hand-to-month living, to have a political fight here. Let us face it, I think the evidence is clear that the majority would fall short on a veto override. We do a disservice to the working men and women in the country to throw up our hands and say, "Well, we couldn't resolve our differences and we fought it out and everybody was in good faith, and we will see you again next year."

I think maybe at some point in time, cooler heads could prevail and seek a resolution to this problem that is not

immediately apparent. I am not necessarily suggesting that you split the difference, but that the difference between 60 days and 6 months and \$4.25 and \$4.55 is not an insurmountable difference that cannot be resolved by people of good will. We have come to more agonizing accommodations on more complicated matters a number of times, and I just hate to see us waste a lot of time again this year, Mr. President, as we did last year. I do not remember how many legislative days we spent, but we spent a lot of time.

It is an issue the country understands. Everybody has their mind made up on it. I have seen the polls. I think the polls overwhelmingly support our point of view, although I would have to first confess I do not know if the people understand those nice distinctions between the two sides. But I think the people want us to raise the minimum wage; and that is people of all types of economic persuasions and different points of views, Republicans and Democrats, and I think that it is time to do it, Mr. President.

So I would urge at some point in time, after we have all run upon the spears and those on this side have voted for the committee bill and those loyal people on the other side have voted to support the administration, that sometime in the coolness and the quiet of some fine afternoon that wise men, and women like the minority leader who I see on this floor, and the majority leader who I greatly esteem, and others might in some quiet, compassionate moment, finding that kinder and gentler nation, solve this very, very difficult problem.

I thank the President. I thank the minority leader, and I thank anybody else who was not bored by it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF KIRBY SMITH III, LITTLE ROCK, AR

Mr. PRYOR. Mr. President, last week one of the most dedicated individuals to labor in the Democratic Party passed away. Kirby Smith III of Little Rock, AR, was a tireless and devoted supporter of Democratic Party causes and candidates in Arkansas and across the country.

Kirby Smith was appointed by Arkansas Gov. Bill Clinton to serve as legal counsel to the Arkansas Democratic Party. In addition, he served as chairman of the Pulaski County

Democratic Party—the largest county in our State—and was chairman of the Pulaski County Election Commission.

A former president of the Arkansas Young Democrats, Kirby was a prime mover in the National Young Democrats organization and was instrumental in helping two Arkansans attain the presidency of that organization in recent years.

Smith was executive secretary of the Engineers and Land Surveyors' Licensing Board, deputy prosecuting attorney in the Sixth Judicial District, assistant attorney general, and was a former director of tourism for the Arkansas Department of Parks and Tourism.

All of us who knew Kirby would agree that there is no one more deserving of the title "yellow dog Arkansas Democrat." Kirby will be missed for much more than his loyalty to the Democratic Party. He will be missed for being Kirby.

HONORING CARLO GAMBA

Mr. PELL. Mr. President, there has been much focus in Washington on "a thousand points of light." But in Rhode Island, we have one that shines. Today, Carlo Gamba, teacher, principal, and Federal program coordinator, is being honored by the National Association of Federal Program Administrators for his tireless service to education.

I would like to add my voice to the many who have sung his praises over the years and to those who publicly acknowledge his work today. Since 1957, Carlo Gamba has contributed his talents and efforts to the elementary and secondary school students of Rhode Island. He served as a teacher in Coventry for 10 years, an elementary school principal in Foster for 24 years, and an elementary school principal in Cranston for 3 years. During that time he also served as the Federal programs coordinator. In this capacity, he implemented critical Federal programs that secured educational opportunity for disadvantaged students, including programs such as the chapter 1 program of compensatory education for the educationally and economically disadvantaged, the Education for the Handicapped Act, and the Bilingual Education Act.

Mr. Gamba is the product of Rhode Island schools, having graduated from Cranston High School, and Providence College, as well as earning his EDM at Rhode Island College. We are all most fortunate that as the beneficiary of the Rhode Island school system, he has given back to Rhode Island schools. In fact, he has had the considerable distinction of serving as the principal of the elementary school he attended, the Mae Wescott Elementary School.

Carlo Gamba's work goes beyond the routine requirements of the jobs he has held. There was never a time when he said "no" to the needs of schools, teachers, or students. He has remained a stalwart proponent of public schools, and a welcome champion of disadvantaged students. He has lent his talent and energy to the work of schooling, and has done so generously and with great humor—a humor for which he is famous throughout the State.

Although Mr. Gamba retired in 1987, that was an act in name only. For, he continues to be just as involved in the schools today. He currently serves as the Federal program consultant for Central Falls, and is the Congressional District 2 coordinator for the National Bicentennial Competition.

Mr. President, when we speak of school excellence then we speak of Carlo Gamba. And when we seek to improve our schools, what we look for is 16,000 Carlo Gambas nationwide. He is the reason I can be optimistic about the future. For, as long as he and the many others who have devoted their time and talent to the schooling of our children continue their service to education, then our country has the machinery to make our schools ones of excellence and opportunity. I would like to congratulate Mr. Gamba on his award today, and thank him for the considerable influence he has had on the many young lives he has touched.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on April 7, 1989, during the recess of the Senate, received a message from the President of the United States transmitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on April 7, 1989, are printed in today's RECORD at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. REID:

S. 734. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Banks and their branches; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DASCHLE (for himself and Mr. ROCKEFELLER):

S. 735. A bill to amend title XVIII of the Social Security Act to extend the classification of sole community hospital to certain other hospitals, to make improvements in

payments to such hospitals, and for other purposes; to the Committee on Finance.

By Mr. REID (for himself and Mr. BRYAN):

S. 736. A bill to convey fee title to Pershing County Conservation District certain Federal lands known as the Battle Mountain Community Pastures, in recognition of the fact that the land was initially acquired by the District and subsequently transferred to the United States for the Humboldt River Project; to the Committee on Energy and Natural Resources.

By Mr. WIRTH (for himself and Mr. ARMSTRONG):

S. 737. A bill to authorize the Secretary of the Interior to acquire certain lands adjacent to the boundary of Rocky Mountain National Park in the State of Colorado; to the Committee on Energy and Natural Resources.

By Mr. DeCONCINI:

S. 738. A bill to expand the priority and payment rights of consumers in bankruptcy proceedings involving transportation entities; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DeCONCINI:

S. Res. 98. Resolution to express the sense of the Senate regarding amendments to title 11, United States Code, the Bankruptcy Code; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE (for himself and Mr. ROCKEFELLER):

S. 735. A bill to amend title XVIII of the Social Security Act to extend the classification of sole community hospital to certain other hospitals, to make improvements in payments to such hospitals, and for other purposes; to the Committee on Finance.

SOLE COMMUNITY HOSPITAL PROTECTION ACT

Mr. DASCHLE. Mr. President, I rise today to introduce the Sole Community Hospital Protection Act of 1989, a bill to strengthen the financial protections offered to our country's most isolated, but vitally important, rural hospitals. The ultimate goal of this measure is to ensure that rural Americans receive the same access to hospital care that their urban counterparts enjoy.

In the midst of the promise and plenty of the U.S. health care system, a system that many claim offers the highest quality care in the world, there are clear trends in rural health care that signal danger. Most notably, our rural hospitals, the core of our rural health care system, are being challenged like never before. In the last 8 years alone, over 160 rural community hospitals across the country have been forced to close their doors, and many more than that—an estimated 600—are currently on the brink of closure.

When hospital care is no longer available in a community, some of our most vulnerable sectors suffer—the elderly, the unemployed, and the chronically ill. And because rural hospitals are often major employers in a town, a hospital closure can have a devastating effect on the local economy.

During a recent rural health care tour that I conducted in South Dakota, I witnessed firsthand the challenges our rural providers face. As I visited rural hospitals all over the State and met with rural hospital administrators and others involved in health care delivery, the same message was affirmed over and over: inadequate Medicare payments have contributed to a serious decline in hospital revenues and the reduction in access to care for rural residents. And because hospitals are the second leading employer in the State, this financial crisis also affects thousands of health care workers.

While many factors have combined to cause the demise of rural hospitals, Medicare's payment system is one of the most obvious and the most amenable to Federal intervention. The fact that Medicare pays rural hospitals from 12 to 40 percent less per procedure than it pays hospitals in urban areas is largely responsible for the fact that more than one-half of small rural hospitals are losing money on patient care. Clearly, the financial health of these already fragile hospitals is in extreme jeopardy.

While many argue it is not necessary to have a hospital at every crossroads in America, most would agree it is essential that everyone have access to at least basic medical services. Sole community hospitals [SCH's] provide this kind of access to basic health care in some of our country's most remote areas.

Recognizing their vital importance to the communities they serve and the fact that the prospective payment system may not be appropriate for these small, low-volume facilities, Congress provided special financial assistance to this group of hospitals. But despite its good intentions, the SCH program is largely viewed as a failure. Over one-half of SCH's had negative profit margins by the third year of PPS, and over 10 percent experience losses on Medicare greater than 37 percent, a record worse than rural hospitals without SCH status. Over 100 hospitals eligible for SCH status simply chose not to accept this designation.

The proposal I am introducing today seeks to reverse this situation by broadening the number of hospitals eligible for SCH status and strengthening the protections offered to these important rural providers. First, my bill would lower the number of miles required between hospitals to qualify for SCH status. Decreasing the mile-

age criterion increases access to medical care for the elderly and poor who are less mobile and tend to suffer higher incidence of chronic illnesses requiring hospital-based care.

Second, my bill would reimburse hospitals for a percentage of their Medicare losses on a sliding scale based on their patient volume. Hospitals with the lowest volume would receive more financial assistance than higher volume hospitals. This measure recognizes that SCH's have high fixed costs because they provide a diverse range of services and are thus more sensitive to low volume and the resulting higher costs per case. However, by requiring SCH's to share in the cost of their losses, this proposal retains incentives for SCH's to operate efficiently.

Finally, my bill would extend current law protection from capital payment reductions to all hospitals eligible for SCH status, regardless of whether they accept the SCH designation. Currently, only hospitals that accept the SCH designation are eligible for this protection. This measure will eliminate the arbitrary penalization of hospitals that qualify for SCH status but do not choose to accept this designation for payment purposes.

Americans expect and deserve the best health care system in the world. But without a firm national commitment to adequate assistance for all health care facilities, rural health care will never match the quality and access found in urban areas.

It is time that the Federal Government offer its citizens in rural America a helping hand. I urge my colleagues in the Senate to support this measure to ensure the financial health of our Nation's most vulnerable rural hospitals.

By Mr. REID (for himself and Mr. BRYAN):

S. 736. A bill to convey fee title to Pershing County Water Conservation District, certain Federal lands known as the Battle Mountain Community Pastures, in recognition of the fact that the land was initially acquired by the district and subsequently transferred to the United States for the Humboldt River project; to the Committee on Energy and Natural Resources.

BATTLE MOUNTAIN PASTURE RESTORATION ACT OF 1989

● Mr. REID. Mr. President, in 1934 the U.S. Bureau of Reclamation started work on what we now know as the Rye Patch Dam project on the Humboldt River.

In the process of developing this important water resource project, several ranches were purchased from private lands to obtain the land and water rights needed for the construction of irrigation works and acquisition of

water. In addition to the purchase and acquisition of water rights, the acreage of two ranches were purchased (about 30,000 acres).

The Pershing County Water Conservation District of Nevada was consequently formed prior to the approval and authorization of the project, to manage the project and be responsible for the repayment obligation according to reclamation law.

Therefore, the title for the above mentioned lands, water rights and Rye Patch Dam are now held in the name of the United States. It has always been understood by all interested parties that title would continue in the name of the United States until repayment for the project was completed.

In the past there has been little particular concern by the Water Conservation District about acquiring title to the lands in question because they were always told by the Bureau of Reclamation that they could obtain ownership (title), to the lands once the obligations for repayment were made.

Mr. President, the Pershing County Water Conservation District completed the water transfers required by the State of Nevada, with the Nevada State Engineers Office in 1956. They completed the repayment to the U.S. Government in 1978. The title to the lands and water rights both still remain in the name of the United States.

Because the conveying of title to the Pershing County Water Conservation District for the lands referred to in this proposed legislation requires special consideration, I am proposing today to introduce legislation that will convey title of the lands referred to as the Battle Mountain Pastures, paid for by the citizens of the Water Conservation District, to the district to be used as community pasture lands. This will ensure a vital economic stability for the ranchers and livestock operations in the Lovelock Valley, who are depending on this land for summer grazing and allow them to have a livestock operation which would otherwise be impossible.

Thank you, Mr. President, and I ask unanimous consent that the complete text of the bill be printed in the RECORD as though read.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be known as the "Battle Mountain Pasture Restoration Act of 1989".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS. The Congress finds that—

(1) the Humboldt Project is a land reclamation and irrigation project created pursuant to the Act of Congress of June 16, 1934, (48 Stat 195), and June 17, 1902 (32 Stat 388), and is an irrigation dam project known as

Rye Patch Dam located in Pershing County, Nevada;

(2) the Pershing County Water Conservation District, a quasi-political subdivision of the State of Nevada, entered into contracts in 1934 to purchase all of the lands comprising the Battle Mountain Community Pasture, consisting of approximately twenty-nine thousands eight hundred and eighty-four acres of land, and water rights appurtenant thereto in Lander County, Nevada, consisting of a consolidation of two ranches known as the Filipini Ranch and the Aldous Ranch;

(3) the Pershing County Water Conservation District transferred all of the water rights appurtenant to the Filipini and Aldous Ranches to the Humboldt Project to provide water to make the construction of Rye Patch Dam feasible;

(4) the legislation authorizing the construction of the Humboldt Project provided that title to the Filipini Ranch and Aldous Ranch was to lie with the United States until further Act of Congress;

(5) the Pershing County Water Conservation District assigned its purchase contracts of the Filipini Ranch and the Aldous Ranch comprising the community pasture to the United States in 1934, and in 1936 conveyed the water rights to the United States as required under the terms of the Humboldt Project to make the construction of Rye Patch Dam feasible;

(6) a repayment contract was entered into with the United States Department of the Interior, Bureau of Reclamation, on October 1, 1934, to provide the funds necessary for the construction Rye Patch Dam and Reservoir, and to ensure the repayment to the United States of all costs of construction and operation of the Humboldt Project;

(7) the Pershing County Water Conservation District water users have completely repaid the United States all of the cost of the Humboldt Project, including the cost of the purchase of the Aldous and Filipini Ranches, known as the Battle Mountain Community Pasture;

(8) the Pershing County Water Conservation District has paid real estate taxes on the Battle Mountain Community Pasture for many years;

(9) the Battle Mountain Community Pasture continues to be required by the Pershing County Water Conservation District to ensure that the waters of the Humboldt River pass through the pasture, and are not diverted or diminished, in accordance with the terms of the transfer of the water rights as provided by the State of Nevada;

(10) the Pershing County Water Conservation District has an immediate and continuing need for the Battle Mountain Community Pasture; and

(11) the purpose of this Act is to convey to the Pershing County Water Conservation District free title to the Battle Mountain Community Pasture in recognition of the fact that it was initially acquired by the Pershing County Water Conservation District, and subsequently transferred to the United States for the Humboldt Project, until further Act of Congress and the full repayment of the construction and acquisition costs of the Humboldt Project to the United States.

SEC. 3. CONVEYANCE.

The Secretary of the Interior shall convey, subject to all existing right and interests of third parties upon, in, and over the property, and upon payment of administrative costs incurred in making the transfer, not to exceed \$20,000, to the Pershing

County Water Conservation District, all right, title, and interest of the United States in and to the land described in section 4 of this Act.

SEC. 4. DESCRIPTION.

The land referred to in section 3 of this Act is described as follows: Portions of those parcels of land described in the warranty deed between Charles S. Aldous, et ux., and the United States dated January 17, 1935, and in the warranty deed between Filipini Ranching Company and the United States dated January 26, 1935, said lands being in the County of Lander, State of Nevada, and described as follows:

MOUNT DIABLO MERIDIAN

Township 32 North, Range 44 East
Section 1.

Township 32 North, Range 45 East

Sections 3 to 6, inclusive, sections 10 to 14, inclusive, and sections 22 to 24, inclusive; all of section 7, excepting therefrom portions of lots 3 and 4, and southwest quarter more fully described by metes and bounds as follows:

Beginning at the intersection of the centerline of the westbound lane of Interstate Route 80, Project I-080-3(12)229, and the west boundary of section 7, at highway engineer's station "Bw" 241 plus 36.69 P.O.C., said point of beginning further described as bearing south 0 degrees 02 minutes 18 seconds west, a distance of 1,571.26 feet from the west quarter corner of section 7; thence north 0 degrees 02 minutes 18 seconds east, along west boundary of section 7, a distance of 379.00 feet to a point; thence south 34 degrees 02 minutes 55 seconds east, a distance of 754.84 feet to a point; thence from a tangent which bears the last described course, curving to the left with a radius of 1,500 feet, through an angle of 34 degrees 06 minutes 42 seconds, an arc distance of 893.04 feet to a point; thence south 68 degrees 09 minutes 37 seconds east, a distance of 731.06 feet to an intersection with the south boundary of section 7; thence south 89 degrees 58 minutes 33 seconds west, along said south boundary, a distance of 1,787.00 feet to the southwest corner of section 7; thence north 0 degrees 02 minutes 18 seconds east, along the west boundary of section 7, a distance of 1,071.65 feet to the point of beginning, said parcel contains an area of 20.91 acres, more or less.

Also excepting therefrom the southeast quarter of section 7. Also excepting therefrom, a strip of land having a uniform width of 30 feet, where measurable at right angles lying within 15 feet on each side of the following described centerline:

Beginning at a point in the south boundary of the northeast quarter of section 7, west, 660.0 feet distant from the east quarter corner of section 7; thence north, 513.0 feet to a point on the south bank of the Reese River, that is south 17 degrees 16 minutes west, 2,223.2 feet distant from the northeast corner of section 7, the sideline boundaries of said strip of land are to be lengthened or shortened as the case may be, so as to begin in the south boundary of the northeast quarter of section 7, and terminate on the south bank of the Reese River, said parcel contains an area of 0.35 acre, more or less.

Section 8, west half;

Section 9, northeast quarter;

Section 15, all that portion lying south of the old channel of the Humboldt River, and containing 340 acres, more or less;

Section 17, southeast quarter, except that portion thereof conveyed to C.W. Burge (deed recorded in Book 52 of Deeds, page 476, records of said Lander County) described as follows:

Beginning at a corner point numbered 1, on the east boundary of section 17, north, 1,015 feet distant from the southeast corner of section 17. Thence north (on section line), 1,625 feet to east quarter corner, section 17. Thence, same course, 1,525 feet to northeast corner numbered 2. Thence south 43 degrees 56 minutes west, 2,019 feet to west angle corner (along wagon road). Thence south 39 degrees 33 minutes east, 2,200 feet to corner numbered 1, place of beginning, containing 50.65 acres.

Section 18, northeast quarter northeast quarter, excepting therefrom, a strip of land having a uniform width of 30 feet, where measurable at right angles lying within 15 feet on each side of the following described centerline:

Beginning at a point in the east boundary of section 18, south, 1,127.9 feet distant from the northeast corner of section 18; thence entering section 18, north 30 degrees 20 minutes west, 1,306.8 feet to a point in the north boundary of section 18, west, 660.0 feet distant from northeast corner of section 18, the sideline boundaries of said strip of land are to be lengthened or shortened, as the case may be, so as to begin in the east boundary, and terminate in the north boundary of section 18, said parcel contains an area of 0.90 acre, more or less.

Section 26, north half north half, and south half northeast quarter.

Township 32 North, Range 46 East

Sections 7 to 11, inclusive, sections 15 to 18, inclusive, and section 20;

Section 1, south half;

Section 2, south half;

Section 3, south $\frac{3}{4}$ of south half, containing 168 acres;

Section 4, south $\frac{3}{4}$ of south half, containing 168 acres; also in section 4 all that portion of that tract of land containing 39.5 acres deeded on December 13, 1989, by J.H. Crum, and others to James Faris (deed recorded at page 151, in Book 49 of Deeds, records of said Lander County), which is not included in that certain parcel or tract of land deeded May 22, 1903, by James Faris and Annie Faris, to Southern Pacific Company (deed recorded at page 770, in Book 49 of Deeds, records of said Lander County); section 5, south $\frac{3}{4}$ of south half, containing 265 acres; section 6, south half south half, north half southeast quarter, and north half southwest quarter (undivided one-half interest);

Section 12, north half;

Section 14, northwest quarter;

Section 19, north half;

Section 21, north half;

Section 22, north half northwest quarter, northwest quarter southwest quarter, and southwest quarter northwest quarter.

Township 32 North, Range 47 East

Section 6, north half south half.

Township 33 North, Range 44 East

Section 12, southeast quarter northeast quarter.

Township 33 North, Range 45 East

Sections 5 to 8, inclusive, sections 17 to 21, inclusive, and sections 28 to 33, inclusive;

Section 9, southwest quarter;

Section 27, southwest quarter;

Section 34, north half northeast quarter, and south half;

Section 35, southwest quarter.

Township 34 North, Range 44 East

Section 36, southwest quarter southeast quarter, and southwest quarter southwest quarter.

By Mr. DECONCINI:

S. 738. A bill to expand the priority and payment rights of consumers in bankruptcy proceedings involving transportation entities; to the Committee on the Judiciary.

CONSUMER TICKET PURCHASER PROTECTION ACT OF 1989

● Mr. DECONCINI. Mr. President, I rise today to introduce legislation to amend title 11, section 507(a) of the Bankruptcy Code, to give priority to consumer ticket purchasers when a transportation carrier files for bankruptcy.

This bill is needed to protect the average consumer ticket purchaser who becomes an unwitting and involuntary creditor of an airline or other transportation carrier who files for bankruptcy protection. All too often, as we have seen again recently, the Bankruptcy Code has been used by airline companies to avoid obligations to thousands of consumers who hold millions of dollars in prepaid tickets.

When an airline uses the Bankruptcy Code in this way, hard earned vacation dollars are lost, dreams are destroyed and business and other travel plans are disrupted. The estimated value of outstanding tickets already sold at the time of the recent Eastern bankruptcy filing is \$200 million. Eastern provided transportation to approximately 100,000 people per day prior to the strike and bankruptcy proceedings. On 1 day in Miami alone, 2,200 cruise ship passengers were stranded in their attempt to return home because Eastern was operating only 15 aircraft that day.

This legislation would amend the Bankruptcy Code to provide consumer ticket purchasers with relief when transportation carriers seek to use the shield of title 11 bankruptcy protection. It will prevent these companies from using title 11 to destroy the right of purchasers to compensation for the lost value of their tickets. The bill will accomplish this purpose by placing consumer ticket purchasers third in the Bankruptcy Code's system of ranking priorities. Title 11, section 507, provides first priority for administrative expenses, and second priority for unsecured claims allowed under section 502(f); the so-called involuntary gap creditors, who were unaware of the involuntary filing and who are treated as though they were creditors prior to the 30 day filing period. Under this legislation, consumer ticket purchasers will be placed third in priority. Purchasers will be entitled to up to \$900 in compensation per individual for tickets purchased for their personal or family use.

A maximum of \$900 compensation is reasonable in light of the wide price

range of airline tickets available these days. Tickets can cost as little as \$19 or as much as \$2,000. While a \$900 ceiling may not compensate consumers for every dollar they have lost, this bill does provide them with the priority in the bankruptcy ranking that they deserve, and it will give them some assurance that at least this amount of their investment will be returned to them.

Without the passage of this bill, consumer ticket purchasers have not been, and may never be, repaid for their purchases. They are families and business people who, due to the abuse of the bankruptcy laws by commercial air carriers, have become unwilling creditors in the airline companies' game of takeover and restructure. This legislation will send a clear message to these citizens that the Senate will not sit idly by while these companies hide behind bankruptcy laws and consumers are left holding the bag. I urge speedy passage of this bill, and I ask unanimous consent that the text of the Consumer Ticket Purchaser Protection Act of 1989 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 738

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Ticket Purchaser Protection Act of 1989".

Sec. 2. Section 507(a) of title 11, United States Code, is amended by—

(1) striking out "(7) Seventh" and inserting in lieu thereof "(8) Eighth";

(2) striking out "(6) Sixth" and inserting in lieu thereof "(7) Seventh, other than claims provided for in paragraph (3);";

(3) striking out "(5) Fifth" and inserting in lieu thereof "(6) Sixth";

(4) striking out "(4) Fourth" and inserting in lieu thereof "(5) Fifth";

(5) striking out "(3) Third" and inserting in lieu thereof "(4) Fourth"; and

(6) inserting between paragraph (2) and paragraph (4), as redesignated herein, the following:

"(3) Third, allowed unsecured claims of individuals, to the extent of \$900.00 for each such individual, and arising from the deposit or payment, before the commencement of the case, of money in connection with the purchase of travel or transportation from a transportation carrier for the personal or family use of such individuals, where such transportation was to be provided following the filing of the petition under this title."

Sec. 3. (a) Subchapter III of chapter 11 of title 11, United States Code, is amended by adding at the end thereof the following:

§ 1147. Repayment.

"Upon the motion of the United States trustee or any party in interest, the court may, after notice and hearing, provide for the immediate repayment to any creditor with an allowable claim entitled to priority under section 507(a)(3) of this title. The court shall establish a bar date and shall establish the terms and conditions for immediate payment by which the trustee shall

have effected payment to those creditors entitled to such priority."

(b) The table of sections for chapter 11 of title 11, United States Code, is amended in subchapter III by adding at the end thereof the following new item:

"1147. Repayment."

Sec. 4. Section 101 of title 11, United States Code, is amended by—

(1) redesignating paragraphs (32) and (33) and any reference to such paragraphs as paragraphs (33) and (34), respectively;

(2) redesignating paragraph (52) and any reference to such paragraph as paragraph (32) and inserting such paragraph between paragraph (31) and paragraph (33), as redesignated herein;

(3) striking out the semicolon at the end of paragraph (51) and inserting in lieu thereof a period;

(4) redesignating paragraph (51) and any reference to such paragraph, as paragraph (54);

(5) redesignating paragraphs (34) through (50) and any reference to such paragraphs as paragraphs (36) through (52), respectively;

(6) striking out the period at the end of paragraph (53) and inserting in lieu thereof a semicolon;

(7) redesignating paragraph (53) and any reference to such paragraph as paragraph (35) and inserting such paragraph between paragraph (34) and paragraph (36), as redesignated herein; and

(8) inserting between paragraph (52) and paragraph (54), as redesignated herein, the following:

"(53) 'transportation carrier' means any airline, railway, steamship entity or motor carrier engaged in the transportation of individuals in commerce where tickets, vouchers, 'electronic transfers' or other documents are used to evidence the purchase of such transportation; and".

ADDITIONAL COSPONSORS

S. 89

At the request of Mr. SYMMS, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 89, a bill to delay for 1 year the effective date for section 89 of the Internal Revenue Code of 1986.

S. 100

At the request of Mr. ROCKEFELLER, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 100, a bill to amend title XVIII of the Social Security Act with respect to coverage of, and payment for, services of psychologists under part B of Medicare.

S. 272

At the request of Mr. LEAHY, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 272, a bill to eliminate the exemption for Congress from the application of certain provisions of Federal law relating to employment, and for other purposes.

S. 302

At the request of Mr. PRYOR, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 302, a bill to amend title 39, United States Code, with respect to

the budgetary treatment of the Postal Service, and for other purposes.

S. 401

At the request of Mr. HOLLINGS, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 401, a bill to exclude the Social Security trust funds from the deficit calculation and to extend the target date for Gramm-Rudman-Hollings until fiscal year 1995.

S. 565

At the request of Mr. CRANSTON, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Arkansas [Mr. PRYOR], the Senator from Hawaii [Mr. INOUE], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 565, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase home ownership; and for other purposes.

S. 566

At the request of Mr. CRANSTON, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Arkansas [Mr. PRYOR], the Senator from Hawaii [Mr. INOUE], the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 566, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase home ownership; and for other purposes.

S. 625

At the request of Mr. NICKLES, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 625, a bill to eliminate artificial distortions in the natural gas marketplace, to promote competition in the natural gas industry and for other purposes.

SENATE JOINT RESOLUTION 91

At the request of Mr. ROCKEFELLER, the names of the Senator from Alabama [Mr. SHELBY], the Senator from California [Mr. WILSON], the Senator from Arkansas [Mr. PRYOR], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Nebraska [Mr. EXON], and the Senator from Arizona [Mr. MCCAIN], were added as cosponsors of Senate Joint Resolution 91, a joint resolution designating April 28, 1989, as "Flight Attendant Safety Professionals' Day."

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. SIMON, the name of the Senator from Wisconsin [Mr. KOHL] was withdrawn as a cosponsor of Senate Concurrent Resolution 10, a concurrent resolution to express the sense of the Congress with respect to continuing reductions in the Medicare Program.

SENATE CONCURRENT RESOLUTION 18

At the request of Mr. ROTH, the names of the Senator from Oklahoma

[Mr. BOREN] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Concurrent Resolution 18, a concurrent resolution expressing the sense of Congress that Federal laws regarding the taxation of State and local government bonds should not be changed in order to increase Federal revenues.

SENATE RESOLUTION 92

At the request of Mr. SYMMS, the names of the Senator from Montana [Mr. BURNS] and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Resolution 92, a resolution expressing the sense of the Senate regarding section 89 of the Internal Revenue Code of 1986.

SENATE RESOLUTION 98—REGARDING AMENDMENTS TO THE BANKRUPTCY CODE

Mr. DECONCINI submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 98

Whereas the purpose of title 11 of the United States Code, known as the Bankruptcy Code, is to provide a structured judicial setting within which the legal rights of creditors and debtors can be resolved that will (1) permit debtors to resolve their financial difficulties in an equitable fashion, and (2) protect the interests of creditors;

Whereas chapter 11 of the Bankruptcy Code, which encourages the reorganization and not the liquidation of financially troubled companies, was designed to allow companies to recognize their debts and to repay their creditors in a way that enables the company to regain the financial stability necessary to once again become an ongoing concern;

Whereas legitimate concerns have been raised regarding abuses of the Code in recent bankruptcy filings in which financial insolvency was not the principal factor;

Whereas a number of companies, including Eastern Airlines, which have resources to maintain operation have recently filed bankruptcy petitions, the primary effect of which is to abrogate obligations to consumers and to avoid other obligations; and

Whereas recent bankruptcy filings have been conducted in ways which have greatly inconvenienced the public and which have left consumers and others with millions of dollars in unsatisfied claims: Now, therefore, be it

Resolved, That it is the sense of the Senate that title 11 of the United States Code, the United States Bankruptcy Code, has been and continues to be used for purposes for which it was not intended and that the Congress should act immediately to enact legislation to remedy defects in the Bankruptcy Code that have encouraged such abuses of the law.

● Mr. DECONCINI. Mr. President, I rise today to introduce a resolution to express the sense of the Senate that the United States Bankruptcy Code has been used and continues to be used for purposes for which it was not intended. This resolution calls upon Congress to remedy defects in chapter

11 of the code that have encouraged abuses of the law.

The purpose of the Bankruptcy Code is to encourage the reorganization, and not the liquidation, of financially troubled organizations. Chapter 11 of the code was designed to allow companies to reorganize their debts and to repay their customers in a way that enables the company to regain its financial stability. It was not intended to permit companies to abrogate obligations to consumers or avoid other obligations.

The recent filing for bankruptcy by Eastern Air Lines, Inc., underscores the need for action on the part of Congress. I am concerned that in this and similar bankruptcy cases, financial insolvency was not the principal factor in the filing. Instead, companies have used the bankruptcy laws to renege on legally negotiated collective bargaining agreements and disregard obligations to thousands of consumers who hold millions of dollars in prepaid tickets.

These consumers have not been, and may never be, repaid for their purchases. They are families and business people who unwillingly and unknowingly have become the creditors of Eastern Air Lines. This resolution gives notice that the Senate will not sit idly by while debtors hide behind bankruptcy laws and consumers are left holding the bag.

Although Eastern's filing has brought to light the need to tighten the Bankruptcy Code, this is the 78th, not the first, airline bankruptcy since 1979. I hope you will join me in supporting this resolution which is necessary to protect the consumers, creditors, and workers affected by such bankruptcies.●

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for the public that hearings have been scheduled before the Committee on Energy and Natural Resources.

The hearings will take place on June 1 and 2, 1989, in room SD-106 of the Senate Dirksen Office Building in Washington, DC. There will be a 9:30 a.m. session and a 2 p.m. session on each day.

The purpose of the hearing is to receive testimony concerning S. 710, S. 711, and S. 712, legislation to provide for a referendum on the political status of Puerto Rico.

For further information, please contact Pat Temple at (202) 224-4756. For press inquiries, contact Claire Miller at (202) 224-0091.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will

culture, Nutrition, and Forestry will hold a hearing on Wednesday, April 19, 1989, at 10 a.m., in SR-332 to receive testimony from the administration in preparation for the 1990 farm bill.

For further information, please contact Bob Young of the committee staff at 224-2035.

ADDITIONAL STATEMENTS

TERRY ANDERSON

● Mr. MOYNIHAN. Mr. President, today marks the 1,486th day of captivity for Terry Anderson in Beirut.

I ask that an editorial dated March 19, 1989, from the New York Daily News be printed in the RECORD.

The editorial follows:

FIVE YEARS AND COUNTING

Terry Anderson, the Associated Press Beirut correspondent kidnapped by Iranian-backed, religious fanatics, has just entered his fifth year as a hostage. That's longer than any of the other 15 foreign hostages now in Lebanon.

U.S. policy is not to negotiate with terrorists—at least not publicly. Anything the government can do to help almost certainly must be stealthy. Bright minds in the State Department must go on working on an answer.

At the beginning of this year, Peggy Say—Anderson's sister and his most vocal advocate—believed her brother was close to being released. The dust had just settled from the Iraq-Iran war and the Ayatollah appeared to be making overtures to the West. Those hopes were dashed when the Moslem world went off the deep end over "The Satanic Verses."

Rev. Lawrence M. Jenco, who shared a cell with Anderson said at a Buffalo church service the other day, "Terry's only refuge was prayer and the hope that his countrymen will not forget him." Pray for him. And don't forget.●

FUTURE OF CATHOLICISM IN HONG KONG AND CHINA

● Mr. BOSCHWITZ. Mr. President, the distinguished businessman Eric Hotung has some serious concerns about the future of Catholicism in Hong Kong and China. Mr. Hotung is the founder and chairman of the Hotung Institute for International Studies, an international nonprofit organization dedicated to strengthening relations between the United States and China. He is also actively involved in the Center for Strategic and International Studies and the Woodrow Wilson Center. As one committed to religious freedom, I would like to insert into the RECORD Mr. Hotung's editorial entitled "Religion and Business in China," which outlines some of important issues facing the Catholics in Hong Kong and China.

The editorial follows:

(From the Journal of Commerce, Mar. 29, 1989)

RELIGION AND BUSINESS IN CHINA

(By Eric Hotung)

As 1997 approaches and the future of Hong Kong becomes a matter of anxious uncertainty, Beijing has an unusual opportunity to make an imaginative move in its relations with the Roman Catholic Church.

At no cost to itself, China would reap a rich international harvest, both diplomatically and economically.

At the core of the problem is the existing anomaly: Catholicism is a freely practiced religion in Hong Kong but hindered in China. The 270,000 Catholics in Hong Kong—an economically significant minority—are free to practice their religion, but their 3 million brethren in China must be members of the government sanctioned Chinese Patriotic Association, or else go "underground."

This situation arose in 1957 when the Roman Catholic Church was superseded by the Patriotic Association through gradual integration and lost its powers to appoint its own bishops. This split the church.

The Chinese authorities deserve some credit for turning a blind eye to many of the activities of the "underground" Catholics, but the authorities cannot be fully trusted. Catholics can be found in Chinese "re-education" camps, which actually are labor camps.

Bishop Ignatius Kung, in the United States for medical reasons, has not been cleared of charges against him for opposing land reform and the Korean War. To fellow Catholics in Hong Kong contemplating their own future, this is disturbing.

The confusion over the proposed meeting between Louis Jun, the Patriotic Bishop of Shanghai and His Holiness the Pope, which did not materialize, is regarded as a snub by the Patriotic Association.

If the churchmen of Rome are still smarting over the expropriation of Chinese lands that originally belonged to the Roman Catholic missionary orders (and that erroneously were perceived by the Patriotic Association as belonging to the Vatican), then their vision is clouded. The Roman Catholic Church suffered a far greater loss in 16th century England when the Christian world first split into two camps.

The Protestants' seizure of Catholic real estate in England is one of the great thefts of history, but subsequent events show that church and state can co-exist to their mutual benefits. Despite years of persecution, the two religions in England now live in harmony. Is it inconceivable that this could happen between China and the Vatican's 800,000,000 Catholics?

It is archaic for the Vatican to assume that Mother Church can wait forever to renew ties with China. For instance, formal relations between the United States and the Vatican only commenced in January of 1984. The clock cannot be turned back and foot-dragging can only frustrate the church's aims and lead to untold hardships for individual Catholics inside China.

A simple solution is possible: the appointment of special envoys or charges d'affaires approved by both sides to meet in Rome and Beijing and finally resolve their differences. This would underscore the oft-repeated promise of China that there is but one China. This would be a logical premise if a charges d'affaires is permitted to remain in Taiwan.

Other charges d'affaires can be established in key districts of China, with an ambassador in Beijing. China would take the momentous step of permitting freedom of worship for its Roman Catholics, with the Pope as their spiritual head.

While China understandably resents interference and meddling in its internal affairs, such a move would be clear proof to the rest of the world of China's sensitivity to its human problems. China would earn the instant goodwill of Catholic countries.

Such goodwill could be expected from the United States, China's most important trading partner, where religious freedom is constitutionally guaranteed. The United States is not a Catholic country, but it has an increasingly dominant Catholic population.

In the context of Hong Kong and 1997, China would harvest rich gains by allowing open worship. We are given to understand that after July 1997, the Catholics in Hong Kong will continue to enjoy freedom of worship. But after considering the plight of Catholics in China, and remembering that the Roman Catholic Church is not free there, it raises questions whether Catholicism in Hong Kong in time also would be absorbed into the Patriotic Association.

Faced with the prospect of a less-than-euphoric future, the Hong Kong Catholic is not without alternatives. One of the easiest choices is to join the growing exodus from the territory.

Certain countries, notably Australia and Canada, have relaxed their immigration laws for Hong Kong residents. Some Catholic countries may take similar measures and set special quotas for the 270,000 Catholics.

This is not to China's—or Hong Kong's—advantage. No economic body thrives when it suffers such a brain drain and Hong Kong, at this crucial time, must count its people as its most precious resource. ●

TAIWAN TRADE RELATIONS

● Mr. DASCHLE. Mr. President, the Republic of China on Taiwan has been an important trading partner for the United States for some time. In 1988, Taiwan was our fifth largest trading partner, and we consistently have been her most important market.

This growing trade relationship has been a major factor in Taiwan's successful economic development. Acknowledging this, Mr. Vincent C. Siew, the vice chairman of Taiwan's Council for Economic Planning and Development, has emphasized the great importance Taiwan places on trade and economic ties with the United States, stating that the Republic of China is "determined to do everything we can to ensure that those ties continue to develop in a harmonious and mutually beneficial manner."

Using figures compiled by the Department of Commerce, our unfavorable balance of trade with Taiwan decreased by 25.6 percent from 1987 to 1988. This decline was primarily attributable to a 63.7-percent increase in United States exports to Taiwan and a 0.6-percent reduction in imports from Taiwan.

Nevertheless, the magnitude of Taiwan's trade surplus with the United States is still unsatisfactory. It is my

sincere hope that the trade deficit between our two countries be reduced, and ultimately eliminated, soon. Taiwanese officials are aware of how critical the trade deficit is to their country's relationship with the United States, and I believe they are sincere in seeking a solution to this problem. Taiwan's persistent trade surpluses with the United States have had repercussions that threaten its long-term economic health and stability.

For Taiwan, the trade surpluses have meant a net outflow of domestic resources that are badly needed as development resources. The surpluses have also created a large accumulation of foreign currency reserves and rapid growth in the country's money supply. Substantial excess liquidity has placed strong upward pressures on prices that, in turn, have favored speculative rather than productive investment. Finally, the surpluses have prompted significant appreciation of Taiwan's currency, that has affected the competitiveness of its exports, especially those involving labor intensive industries.

Since 1984, Taiwan has forged ahead with economic liberalization and internationalization in the hope of providing a solution to the trade imbalance. Now, sweeping reforms are being implemented in such areas as finance, government fiscal operations, industry, and trade.

Although these efforts were beginning to produce results as suggested by the 1988 decrease in the trade imbalance, last November Taiwan announced its "Action Plan for Strengthening Economic and Trade Ties with the United States." The plan is aimed at achieving further reduction in the trade imbalance by stimulating Taiwan's domestic demand and increasing imports from the United States. Among the features of the plan are: increased public investment spending; tariff reductions on a broad range of imported consumer goods; and improved credit availability for consumer durables. I ask that the "Detailed Action Plan for Strengthening Economic and Trade Ties With the United States" be printed in the RECORD at the end of my remarks.

Mr. President, I urge my colleagues to read and study the action plan that Taiwan has laid out if they have not had an opportunity to do so already. In my view, it is a bold step to address the imbalance of trade between our countries that, in the long run, adversely affects us both. The action plan demonstrates the importance the ROC places on helping to maintain international economic prosperity by coordinating its economic and trade policies and those of the United States and other trading partners.

The success of the Taiwan initiative will be affected by the degree of support and cooperation the United

States lends to the plans for strengthening trade ties. Of particular importance is that the U.S. business community take full advantage of new trade opportunities expected from the ROC's economic liberalization.

The plan follows:

DETAILED ACTION PLAN FOR STRENGTHENING ECONOMIC AND TRADE TIES WITH THE UNITED STATES

(Council for Economic Planning and Development, Executive Yuan, Republic of China, March 1989)

1. Background for this Plan

In view of the new directions and emphasis in the formulation of United States trade policy as articulated in the Omnibus Trade and Competitiveness Act of the United States, the Executive Yuan of the Republic of China has promulgated a plan entitled "The Action Plan for Strengthening the Economic and Trade Ties with the United States" (the "Plan"). This document is prepared to set forth in greater detail various initiatives which the Republic of China will put into force for the implementation of the Plan.

2. Objectives of the Plan

To endeavour to balance our trade with the United States, this Government will pursue the following actions:

A. To take effective measures to expand domestic demand and increase imports in order to reduce our trade surplus with the United States. We aim to increase domestic demand's share of the GNP level to 93.7 percent by 1992. (In 1988, this level of GNP was 86.3 percent). It is also our aim to reduce our total trade surplus to 4 percent of our GNP by 1992. (In 1988, this surplus represented 10 percent of our GNP). As to our trade with the United States, our goal is to reduce our trade surplus by 10 percent annually.

B. To expedite market diversification and reduce our dependency on exports to the United States. We will endeavour to reduce by 1992 the volume of our exports to the United States to about one-third of the total volume of all of our exports.

C. To implement the policy to liberalize and internationalize our economy and trade, and to set up an implementation schedule to be followed by government ministries and agencies concerned, thereby ensuring that the public and the private sectors will pursue such policy and make necessary adjustments in an orderly manner, thus reducing trade-related conflicts between the United States and the Republic of China.

D. To seek comprehensive solutions to bilateral trade problems with the United States rather than piecemeal resolution of individual difficulties, based on the overall close economic and trade relations between the United States and the Republic of China.

ESSENTIAL POINTS FOR THE PLAN

I. Increase of Imports From the United States to Reduce ROC Trade Surplus With the United States

A. Schedule for Expedited Economic Liberalization

The Republic of China will reduce import tariffs on certain items which United States producers enjoy competitive edge or which are of concern to the United States. By 1992, the average effective duty rate will be reduced to 3.50 percent from the rate of 5.66 percent which prevailed in 1988. The aver-

age nominal duty rate will be reduced to 7.00 percent from 12.60 percent. Tariffs on agricultural products will fall to 19.82 percent and tariffs on industrial products brought down to 5.02 percent. (See Appendix)

In implementing these reductions, this Government will take into account specific concerns of the United States Government.

B. Relaxation or Removal of Rules Regulating or Restricting Imports

The Republic of China will, on an annual basis, review and endeavour to liberalize restrictions on certain industrial imports which were previously subject to import restrictions. We will continue to review the proposal that we liberalize importation to our country of agricultural products.

In addition to these measures, alleged unfair trading measures and nontariff obstacles reported by the United States will be investigated and, where appropriate, remedied.

Importation procedures will be simplified and categories of license-exempt imports increased. This Government will soon introduce a simplified import procedure by establishing a "Negative List" under which only those items specified in the Negative List promulgated by our Government are required to obtain import licenses for importation to the Republic of China.

C. Gradual Opening of ROC Domestic Market for the Service Industry

1. Transportation

a. Aviation

The Ministry of Communications has agreed in principle that air cargo terminals may be established outside of the airports. New rules giving effect to the above will be promulgated in August 1989 and thereafter applications for the establishment of such terminals will be entertained.

b. Inland Transportation

The Ministry of Communications has agreed in principle to introduce amendments to existing regulations so that United States shipping companies may apply for licenses to use truck trailers. Such amendments are expected to be completed before the end of April, 1989.

We understand that United States shipping companies are interested in operating the business of trucking. Currently, Article 35 of the Highway Act prohibits foreigners from investing in the vehicle transportation business. The Ministry of Communications will introduce amendments to this statute to permit foreigners to engage in the business of trucking, which amendments will be submitted to the Legislative Yuan for consideration and enactment.

2. Banking

Amendments to the Bank Act, permitting Republic of China branches of foreign banks to take savings deposits, have been submitted to the Legislative Yuan. When these amendments become the law, the Ministry of Finance will revise the "Regulations Governing the Examination of Foreign Banks Establishing Branches or Representative Offices" to give effect to such amendments.

Foreign banks' desire to establish branches in places other than those presently permitted will be considered by this Government when Republic of China nationals are allowed under our law to incorporate new banks.

3. Insurance

Presently, two property insurance companies and two life insurance companies from

the United States are permitted to establish branch offices in Taiwan each year. This Government will consider permitting United States insurance companies to establish subsidiaries and joint venture companies when Republic of China nationals are allowed under our law to establish new insurance companies.

4. Securities

The Republic of China will gradually open her securities industry. We also envision an increase in the channels for ROC investments in overseas securities.

II. Increased Purchases From the United States

As in the past, the Republic of China will continue to encourage increased purchases of United States products. "Buy-American" missions dispatched to the United States will continue. Companies in our private and public sectors will be encouraged to make more purchases from the United States.

China External Trade Development Council, the ROC Federation of Industries and Commerce and the Board of Foreign Trade will be responsible for inviting potential buyers from our private and public sectors to join trade missions to the United States, to attend international exhibitions held in the United States in order to keep abreast with United States products, and to visit United States companies, plants and other facilities as recommended to them.

The Republic of China will assist United States businesses in conducting more extensive promotional activities in Taiwan. We will continue to sponsor the holding in Taipei of United States Products Shows and encourage United States manufacturers to participate in specialized trade shows held at the Taipei World Trade Center. Trade offices established in Taipei by state governments of the United States will be assisted in obtaining business opportunities and in the expansion of their business activities.

We shall compile information relating to major procurements from overseas intended by companies in our private and public sectors and will encourage United States manufacturers to make tenders in accordance with applicable requirements.

III. Review of the Feasibility of Concluding a Bilateral Agreement With the United States Governing Investment and Technology Transfer

This Government considers that a bilateral agreement with the United States on investments and technology transfer merits serious study. We will collect relevant materials from Europe, the United States, Japan and other developed nations as well as from certain developing countries with regard to domestic laws, treaties and conventions on investments and technology transfers. With these sources as a guide, this Government will produce a working draft for discussions with the United States.

IV. Acceleration of Market Diversification

The Republic of China will most seriously enforce the plan entitled the "Five-Year Plan to Diversify Markets and to Balance Trade" formulated by the Ministry of Economic Affairs. We intend to expand our trade with other parts of the world in order to reduce our dependency on the United States market.

We have recently established the "Overseas Economic Cooperation and Development Fund" with a budget of NT\$30 billion. This Fund is intended to provide financial assistance to developing countries in the development of their economy.

Drawing on the Fund, direct investments will be made in major projects of developing countries and, in coordination with the United States, participations will be had in their development projects sponsored by international organizations.

V. Enhancement of the Image of ROC Products Overseas

The Republic of China will take various measures to enhance the quality of Republic of China products in accordance with international standards. In addition, this Government will investigate all allegations of infringement in intellectual property rights asserted by United States businesses. We will also maintain close contacts with private anti-counterfeiting organizations in the United States in this regard.

VI. Adjustment of Our Economic Policies and Measures

A. The Republic of China will take various measures to increase our domestic demand in order to stimulate the growth of our domestic market for imported goods. This goal will be pursued through a number of measures including the increase of public expenditure.

With respect to government expenditure, we plan to increase and up-grade facilities and equipment used in governmental institutions and schools.

We will require state-owned companies to increase investments by accelerating the replacement of their capital equipment, implementing antipollution measures, and continuing the expansion of facilities for the energy industry. It is our estimate that fixed investments by state-owned companies will be gradually increased to 4.9% of our GNP in 1992 as compared to 4.4% in 1989.

Investments will also be made to improve our agricultural infrastructure, to introduce necessary adjustments to the production structure of our agricultural industry, and to improve the function of the market for our agricultural products.

Government investments will from now on be extended to cover socially oriented public projects rather than focusing on economic returns alone, and will be increased for the enhancement of medicine, sanitation, recreation, pollution controls and environmental protection. As from 1989, we expect that the aggregate of such government investments will be maintained at a rate of 5% of our GNP.

Social insurance programs will grow gradually over time such that government expenditure will rise to 15.2% of our GNP by 1992, compared to 14.8% of our GNP in 1989. A comprehensive national health insurance program will also be introduced.

To increase the private sector's expenditures, we will continue the policy to liberalize our trade to stimulate demand for imports. The private sector will be encouraged to build new schools, to increase investments in pollution control, research and development and high technology industry.

Investments by our Government and state-owned companies will help the development of industries in the private sector such as construction, manufacturing and service industries. Such investments will not only bring about the modernization of our service industry, but will also cause trade-related industries to direct part of their resources to be invested in nontrade related sector, thus leading to the harmonization of the overall economic development of the Republic of China.

Finally, our trade policy will be reviewed and necessary adjustments made to ensure

that balance will be maintained in our policy for imports and exports so as to reduce trade surplus.

B. The Republic of China will increase investments in her infrastructure. We will increase our annual budget so that within four years, the average annual growth rate of our budget for such investments will exceed 10%.

To accelerate investments in our infrastructure, we shall increase the importation of construction and other equipment and materials, and facilitate engineering consulting companies of international standing to provide the necessary technical and management services. In appropriate cases, foreign construction companies will be permitted to participate in public construction projects.

We recognize that public construction and environmental protection must be balanced. Investments in environmental protection will also be emphasized.

Measures will be taken for the stocks of state-owned companies to be publicly traded to accelerate privatisation of state-owned companies and to obtain funds from the private sector to meet the demand for public investments capital.

C. The Republic of China will take measures to increase our citizens' interest in the enhancement of a better quality of life. We will encourage investments in the construction of recreation and sports facilities. Import tariffs on consumer products will be reduced and long term consumer loans will be made more readily available. Fair trade law (including consumer protection laws) will be introduced.

VII. Strengthening People-To-People Contacts and Enhancing Mutual Understanding

Channels of communication will be maintained and broadened so that the United States and the Republic of China will cooperate with each other through regular consultations.

We will provide timely advice to the United States on the progress of our plans which have bearings on our relationship with the United States and will maintain close contacts with American Institute in Taiwan on matters related to the overall bilateral trade relations between our two countries and on important economic and trade issues and their possible future developments.

We shall disseminate information and hold seminars to enhance ROC business community's understanding of the Omnibus Trade and Competitiveness Act and to familiarize our industry and business with its provisions. We will also maintain contacts with the American Institute in Taiwan to increase our understanding of problems related to that Act.

VIII. Other Measures

A. This Government will strengthen the coordinating role of the Ad Hoc Sino-U.S. Trade Committee in our trade talks with the United States and invite the United States to begin talks as soon as possible with the Republic of China on an agreement on the free trade area.

B. We will propose to the United States the establishment of a mechanism for the settlement of trade disputes and differences in the interpretation of any provision in an agreement concluded between our two countries.

C. We will solicit United States support for our participation in international economic and trade activities. In this connection, we will apprise the United States of our establishment of the Overseas Economic Cooperation and Development Fund.

D. This Government will adopt effective measures to strengthen protection of intellectual property rights.

1. Copyrights

We will soon conclude the talks with the United States on the protection of Copyrights.

We anticipate that the draft bill amending the ROC Copyright Act will be completed by the Ministry of Interior prior to June 30, 1990. This bill, when approved by the Executive Yuan, will be submitted to the Legislative Yuan for examination and enactment.

We will also revise the Ministry of Interior Organization Act to establish the Department of Copyright, which will be responsible for copyright protection.

Within three months after the amendments to ROC Copyright Act become the law, this Government will amend the copyright enforcement rules.

We appreciate that laws alone are insufficient to assure complete copyright protection. Copyright law courses will be given at universities and colleges and to all police officers in order to enhance their understanding of copyright enforcement and protection.

In addition, we also plan to establish a court to specialize in the protection and enforcement of intellectual property rights.

2. Movies and Videos

This Government will take effective measures to prohibit the performance of counterfeit movies, video tapes, and television and radio programs. We will improve our procedures for examining whether movies and films are shown in a manner authorized by their producers. Movie distributors will be required to produce certificates of authorization from the original producers when applying for licenses. Funding will be provided to assist the Anti-Counterfeit Committee established by the Taipei Motion Pictures Dealers Association to prevent counterfeiting of movies and video tapes.

Radio and television stations will produce anti-counterfeiting programs. Periodic inspections by the police will be initiated against illegal video tapes.

Various anti-counterfeiting posters will be posted and anti-counterfeiting programs, conducted by way of seminars, publications, movies, and radio and television programs. We will also sponsor anti-counterfeiting concerts to raise greater awareness of this issue among our citizens.

3. Trademarks and Patents

Necessary amendments to the ROC Patent Act and Trademark Act are being contemplated to enhance trademark and patent protection. Article 62-3 of the ROC Trademark Act will be amended so that counterfeit products, whether they are the property of the infringer or not, will be subject to confiscation. We will also adopt computer systems to improve the examination of trademark and patent applications.

We will strengthen communication and cooperation with international anticounterfeiting organizations.

Under Regulations to be formulated, companies which are found to have exported products bearing trademarks registered outside the Republic of China without proper authorization may be subjected to forfeiture of their export rights.

We will strengthen the organization and function of the National Bureau of Standards and Anti-Counterfeiting Committee of

the Ministry of Economic Affairs and the National Anti-Counterfeiting Committee of ROC National Federation of Industries. We will also ensure that the relevant bodies of our government will vigorously prosecute infringements of trademarks and patents.

APPENDIX: ROC TARIFF REDUCTION SCHEDULES

(Unit: Percent)

	Anticipated Schedule				
	1988	1989	1990	1991	1992
Average nominal duty rate:					
All products	12.57	10.25	9.17	8.08	7.00
Agricultural products	25.99	24.21	23.25	21.32	19.82
Industrial products	10.20	8.03	7.03	6.02	5.02
Average effective duty rate...	5.66	4.70	4.30	3.90	3.50

Note: The Average Effective Duty Rate for 1988 equals tariff revenues collected divided by total imports (excluding gold imported by Central Bank of China). ●

ENHANCED RESCISSION AUTHORITY

● Mr. HUMPHREY, Mr. President, an interview with former OMB Director James C. Miller III, on the Federal budget appears in the spring 1989 issue of Policy Review.

I was particularly interested in OMB Director Miller's comments on budget reform. When asked "which budget process reforms would be most important to make?" Miller responded with two proposals—a balanced budget amendment to the Constitution and former Senator QUAYLE's enhanced rescission proposal.

I have long been a supporter of a constitutional amendment to balance the budget. As in past years, I have joined with Senator THURMOND and other colleagues in offering a balanced budget amendment at the outset of this Congress. It is significant to note that no less than 42 Senators cosponsored one or another of the eight balanced budget amendments introduced in the 100th Congress. Polls show that some 75 percent of the American people support a balanced budget amendment, so there is broad agreement with Mr. Miller's stress on the need for a balanced budget amendment.

I have introduced Senate Concurrent Resolution 9 which is the enhanced rescission proposal first proposed by Vice President QUAYLE. With respect to this proposal, former OMB Director Miller comments:

The more I look at the State data, the more I believe that the enhanced rescission authority proposed by then-Senator Quayle would be more effective than an ordinary line-item veto. On the face of it, the President has more authority with a line-item veto that can be overturned only with a two-thirds vote of both Houses than he does with enhanced rescission where Congress can restore full funding with the majority of just one House. In practice, however, enhanced rescission gives more opportunity to fine-tune priorities and keep spending under control.

Mr. President, I ask that a copy of this article be printed in the *RECORD* following my remarks. I encourage all Senators to examine closely the enhanced rescission legislation which I have introduced.

The article follows:

THE MAN WHO BROUGHT THE DEFICIT DOWN
(An Interview by Adam Meyerson)

In mid-February, James C. Miller III spoke about the federal budget with Adam Meyerson, editor of *Policy Review*. Miller served as director of the Office of Management and Budget from October 1985 to October 1988. He is now chairman of the board of Citizens for a Sound Economy and John M. Olin Distinguished Fellow at George Mason University's Center for the Study of Public Choice.

POLICY REVIEW. You took over as director of OMB at the beginning of fiscal year 1986, when the federal government recorded its largest budget deficit in history. By the time you stepped down at the end of fiscal year 1988, the deficit had fallen from \$221 billion to \$156 billion. What explains this sharp decline without a tax increase?

MILLER. The real drop took place between fiscal year 1986 and fiscal year 1987, when the deficit fell to \$150 billion—a \$71 billion decline, the largest deficit reduction in our history. About \$20 billion of this decline came from tax reform, which boosted revenues in the first year even though it was neutral over a period of four years. The major reason for the deficit reduction, however, was that the president hung tough on spending. He threatened to veto any excessive appropriations, and to veto new programs unless they were offset by spending cuts elsewhere.

Then, in October 1987, the market collapsed and the president was goaded into accepting a budget summit with "everything on the table." The result of those negotiations was a substantial increase in assorted taxes—mostly changes in business accounting rules (vacation pay reserves, completed contract methods, etc.)—and only very modest reductions in spending from the "current services" levels that assumed spending would be left on automatic pilot. For all the ballyhoo about the agreement between the president and the Congress, the deficit actually went up—to \$156 billion in fiscal year 1988, and an OMB estimate (in the Bush budget) of \$163 billion for fiscal year 1989.

One might conclude from this episode that a policy of holding firm against tax increases and against excessive spending results in a substantial reduction of the deficit, whereas agreeing with Congress to a tax increase results in no deficit reduction progress at all—in fact, it produces the reverse.

P.R. How important is it that the deficit be brought down?

MILLER. It's very important to bring the deficit down—for two reasons. One, as an efficiency matter, there's no question that large deficits, and the increased spending that goes with them, restrain our economic growth and our progress as a society. Taking resources from the private sector and putting them in the public sector is bad economics because at the margin the public sector spends resources much less efficiently than does the private sector.

Two, we are off-loading the burden of these deficits onto future generations, many of whom are not even born yet. The moral problem with deficits is perhaps as serious

as the loss of efficiency resulting from higher government spending.

P.R. Most of the spending cuts in the last few years have been in defense. Have these cuts taken muscle or fat out of our fighting forces?

MILLER. The defense budget has declined in real terms over the last four years, but is still about 50 percent higher in real terms than it was in 1980. On the whole, the increases in defense were justified, given the sad state to which our readiness had fallen by the late 1970s. The cutbacks Congress had made from the president's budgets in recent years and the earmarking of funds for pork-barrel and other projects of lower priority have weakened our defenses. On the other hand, the Defense Department hurt itself with its "Chicken Little" strategy for dealing with Congress; after a while, bloated claims of calamitous results fell on deaf ears.

We can maintain a strong defense with less money, but only if Congress cooperates. To begin with, it might be possible to save as much as \$10 billion per year by giving the Defense Department the predictability of a two- or four-year budget, rather than the yo-yo budgets they've had in the recent past.

Second, the Congress needs to carry out the remainder of the Packard Commission recommendations for procurement reform. We waste a lot of money in our procurement programs, and this could be reversed if these reforms were put in place.

Third, it's high time we declared the defense budget off-limits for pork-barrel spending. I remember several years ago how Senator Alfonse D'Amato held up the omnibus continuing resolution appropriations bill in order to put into the defense budget the purchase of some airplanes manufactured on Long Island, planes that the Defense Department didn't want and doesn't use. The defense budget is too important for this sort of chicanery, and it's time that Congress quit it.

P.R. Do you think that the financial problems of Social Security and Medicare were solved by the 1983 legislation?

MILLER. Medicare is technically bankrupt. It needs major reform in its financing or in its benefit structure in the not-too-distant future. My concern is that the shortfall is going to be made up with ordinary tax revenue, thus contributing further to the notion that this is merely an insurance program. It's not; it's redistribution on a broad scale.

Of even greater concern to me is Social Security, which is basically a Ponzi scheme. I don't mean this pejoratively, but as a technical description. A Ponzi scheme can work as long as you have a burgeoning base of workers making payments into the system. But when the base narrows relative to the top, and the top, in effect, lengthens because people are living longer, then you are in real trouble.

In a sense, the 1983 reforms made the Social Security system actuarially sound. That is to say, the system is building a surplus sufficient to pay expected beneficiaries when the baby-boomers reach retirement. The problem is that Social Security trustees, by law, must invest in government securities, which are nothing but IOUs to be paid off by future taxpayers. By the year 2030, when the system begins to pay out of its surplus, the generations then working are going to have to pay back those securities. So the system is little different than if it weren't building a surplus at all. Generations of working people in the year 2030 and

beyond are going to have to pay much higher taxes to support Social Security beneficiaries.

This, in my judgment, is going to cause extreme intergenerational conflict. When people of working age discover, in the year 2030 or so, that their taxes are going to be increased by enormous amounts to pay annuities for the elderly, they are going to be upset. I worry that we might see social unrest of the type we haven't seen since the civil-rights or anti-war movements of the '60s and '70s.

By investing the Social Security Trust Fund in government securities, we also artificially lower the recorded overall deficit of the government. The Social Security surplus is around \$60 billion this year. So, in a sense, the operating deficit of the U.S. government is really some \$60 billion or so greater than that recorded under Gramm-Rudman-Hollings rules. The illusion of lower deficits takes some of the pressure off our political leaders to keep spending under control.

P.R. What Social Security and Medicare reforms would you advise for politicians who want a sound economy and also want to be reelected?

MILLER. First, we ought to redefine our Gramm-Rudman-Hollings targets to exclude the Social Security surplus. Assuming this surplus will be in the neighborhood of \$100 billion annually by 1993, I think it perfectly reasonable to extend the Gramm-Rudman-Hollings targets, say, for three years. We should be balancing the budget without the benefit of the Social Security surplus.

Second, to make sure that by 2030 the surplus is simply more than IOUs that have to be redeemed by taxpayers, the trustees should be directed to invest in instruments other than federal government securities. These could include real estate, state and local bond issues, and ordinary commercial debt (although I would not want the Social Security Trust Fund to own much of the debt of any company—and certainly no equity, which would be a back-door means of state ownership.)

P.R. During your years at OMB, which Cabinet secretaries and agency heads were most effective in working for spending restraint? Which ones caused OMB the biggest problems?

MILLER. I was struck by the number of Cabinet meetings where the president would extol the importance of keeping the size of government under control, and remind members of his Cabinet why we "came to Washington," and then members of the Cabinet would go around the table exclaiming that they were in 100 percent agreement with the president and that he could depend on them to carry out his wishes. And I would squirm in my seat, realizing that the same Cabinet officer promising his full support had just submitted a budget that was way over the guidance that OMB had given the agency.

I can't tell you how many times agency heads told me something like this: "Jim, you know there's no one who stands behind the president's program more strongly. I was with Ronald Reagan in 19—, and I've been a supporter of all of his programs. I agree that we must get total spending down, but you must understand that my program is special, it's different." Or: "As you probably know, this is one of the president's strongest priorities." Probably three-quarters of the Cabinet officers lobbied strongly for increases in their budgets.

Don Hodel at Interior, Bill Bennett at Education, and John Herrington at Energy were probably the most cooperative in trying to restrain the growth of their own programs while meeting national needs. As for those who were least cooperative, I'm not going to mention any names, but you can just look at whose budgets rose year after year. The defense and a few other budgets, of course, the president wanted to increase himself, but other budgets continued to grow despite the president's admonitions. Most Cabinet members appealed the OMB "passback" (that is, the budget OMB passed back to the agencies in response to their requests), and frequently they appealed over my head. In some cases the president went along with their request for greater funding, but in most cases he turned them down.

P.R. What were your biggest disappointments in terms of programs that are still in the budget but should have been eliminated or sharply reduced?

MILLER. I guess my biggest disappointment was the failure to get much change in the entitlement area.

About half of the budget is for entitlements—Social Security, Medicare, Medicaid, unemployment insurance, veterans benefits, and so forth. Year after year, we proposed changes in these programs that would not have affected legitimate beneficiaries adversely, but would have streamlined programs and reduced their costs. Yet Congress repeatedly refused to make the changes. Unfortunately, the president has very little leverage here. A president can veto an appropriations bill or a continuing resolution. But there's no way he can veto entitlement spending, because entitlement spending is already on the books.

I suppose that, as a long-time advocate of transportation deregulation, I am especially disappointed that we still have an Interstate Commerce Commission. Successive chairmen of the ICC have all recognized that even the agency's residual role is counterproductive: it restrains entrepreneurship and raises costs to consumers. In December 1985, as we were preparing the fiscal year 1987 budget, I reminded the president that the first federal regulatory agency—the ICC—was established in 1887 and in 1987 would be 100 years old. I said, "Mr. President, I think you will agree with me, 100 years is long enough!" He laughed, and he said, "You are absolutely right," and so we proposed eliminating the ICC in the fiscal year 1987 budget. Of course, Congress did not take that action.

We did succeed in eliminating some programs that were terribly wasteful, like UDAG and HODAG (Urban and Housing Development Action Grants). I think that the hammer of Gramm-Rudman-Hollings forced Congress to set some priorities, and to do away with egregiously ineffective programs.

P.R. Are there any government programs you find particularly cost-effective?

MILLER. In the drug area, some of the education programs on the demand side seem to be far more effective at the margin than the supply-side approaches. Ed Meese did a marvelous job in trying to interdict the supply of drugs, and in many celebrated instances was able to take huge caches of drugs off the market. But we all recognize, sooner or later, that it's virtually impossible to eliminate the flow of drugs; all you can do is raise the price. Far more effective in trying to eliminate this scourge are education and treatment. Also, our law enforcement re-

sources are probably better directed locally than at our borders: this is where we must be more effective at prosecuting drug sellers, and even taking to court consumers of illicit drugs. Frankly, it's despicable the way some state and particularly local politicians decry the lack of federal effort against drugs, when the data shows clearly that the federal government spends a much greater portion of its law enforcement resources on the suppression of drugs than do state and local governments.

P.R. As a student of incentives in the budgetary process, you've been a strong supporter of the Gramm-Rudman-Hollings approach to the deficit. Would you advise President Bush to threaten a sequester if Congress doesn't reach its own Gramm-Rudman-Hollings targets this October?

MILLER. Yes, I would. We ought to bear in mind that a sequester threat by President Bush will be more credible than the ones by President Reagan. Everyone recognized that President Reagan was loath to see a sequester of defense resources, but people do not perceive in George Bush the same commitment to defense spending. If President Bush threatens a sequester, Congress is more likely to act to avoid one.

P.R. How do you explain how Phil Gramm got Congress to impose these deficit limits on itself?

MILLER. That's an interesting question for public choice theory. Number one, members of Congress recognized that there was a great deal of public disgruntlement about the deficit. The polls continued to show that the American people believed Congress was more to blame than the president for the deficit. This riled many members of Congress who truly believed it was the president's fault and wanted the public to believe it was the president's fault. So Congress was under the gun to do something.

Number two, Gramm's law of politics is "congressmen will never make a decision unless they have to"; a corollary to Gramm's law is that "they tend to make the right decision if forced to make one." Members of Congress did not want to be responsible for having to cut particular programs. Gramm-Rudman-Hollings targets gave them something to hide behind, as they were able to rationalize to their constituents some restrictions on spending.

Many members of Congress probably thought the deficit targets would force President Reagan to raise taxes. The president, it must be remembered, was not happy about Gramm-Rudman-Hollings in its final form, with defense accounting for half the funds to be sequestered if deficit targets weren't met. The version he endorsed envisioned defense taking less than a third of the hit, the same as its proportion of the overall budget minus Social Security. By placing many politically sensitive programs (in addition to Social Security) off-limits and by increasing the hit on defense, many members of Congress thought that Gramm-Rudman-Hollings in its final form would not be so devastating if it came to a sequester (that is, across-the-board cuts) and would force the president to raise taxes rather than contemplate large cuts in defense.

Finally, I think you need to attribute something to the skills of Senators Gramm, Rudman, and Hollings in bringing colleagues around to their point of view.

P.R. You strongly supported President Reagan's call for a line-item veto and a balanced budget amendment. Why didn't the administration send budget process legislation up to Capitol Hill?

MILLER. The president repeatedly asked for budget process reform, and he advocated a balanced budget amendment and a line-item veto in practically every State of the Union address. He proposed additional budget process reforms in his 1988 budget message. At that time, draft legislation to reform the budget process was being circulated, but some of the people working on it got caught up in the Iran/Contra controversy, and their attention was directed elsewhere.

There were also other legislative vehicles for budget process reform, and so we didn't think it was vital for the administration to push its own bill. For example, the president supported a Senate amendment sponsored by Dan Quayle that would have given the president "enhanced rescission authority." We supported with some changes a balanced budget amendment cosponsored by Larry Craig and Charlie Stenholm in the House. In addition, legislation vehicles existed for biannual budgeting, a line-item veto, and other reforms.

P.R. Which budget process reforms would be most important to make?

MILLER. If I had one, it would be a balanced budget amendment to the Constitution, with a restraint on total spending as a proportion of gross national product—together with a way of relieving those restraints in an emergency by a super-majority, say, a two-thirds vote of both houses and concurrence by the president; however such an emergency variance would automatically terminate after a year. Such a measure would be close to ideal, but frankly I don't think we're likely to get it.

There's a possibility that, given enough pressure, Congress will proffer a weaker balanced budget amendment without much in the way of automatic enforcement. This wouldn't be ideal, but it would be on the books, it would be part of the Constitution, and it would carry considerable weight.

Next in order of importance would be a version of enhanced rescission authority of the sort that eight governors have, including the governors of California and Massachusetts. It works like a line-item veto, except that the governor is not limited to choosing between keeping spending at the amount appropriated or eliminating the proposal altogether; he also may reduce the amount. Mark Crain of George Mason University and I have done some research showing that in states where governors have this authority, budget growth has been restrained significantly.

The more I look at the state data, the more I believe that the enhanced rescission authority proposed by then-Senator Quayle would be more effective than an ordinary line-item veto. On the face of it, the president has more authority with a line-item veto that can be overturned only with a two-thirds vote of both houses than he does with enhanced rescission authority where Congress can restore full funding with the majority vote of just one house. In practice, however, enhanced rescission given more opportunity to fine-tune priorities and keep spending under control.

I'll give a hypothetical example. Suppose Congress appropriates \$3 billion for AIDS research, while reasonable analysis suggests that only \$2 billion could be spent effectively. With the ordinary line-item veto, the president can choose between eliminating AIDS research completely, or keeping it at \$3 billion. Well, he's not going to propose eliminating it completely. But under enhanced rescission authority, he can also pro-

pose a reduction from \$3 billion to \$2 billion, and this has a much greater chance of being sustained than eliminating it altogether.

P.R. You played an important role in promoting airline deregulation during the Ford administration, and you were also executive director of Vice President Bush's task force on regulatory relief in 1981 and Federal Trade Commission chairman from 1981 to 1985. Are libertarian critics fair when they say the Reagan administration did less to promote deregulation than either the Ford or the Carter administration?

MILLER. I don't think that's fair. Let's separate the two kinds of regulation. The first is economic regulation—the entry and exit, service, and price regulation of specific industries. Over time, a great deal of research appeared about the effects of this type of regulation, and many elected and appointed representatives became convinced that consumers would benefit from much freer competition in industries such as airlines, trucking, and telecommunications. President Ford made significant proposals in these areas, and President Carter obtained legislative changes that were truly important. President Reagan protected these deregulatory gains and in some cases, such as banking reform and the decontrol of oil, made further progress.

The second category is social regulation, or health, safety, and environmental regulation. This has much greater impact on the economy than does economic regulation, but it has proven extraordinarily difficult to come to grips with. President Ford made an effort through his review process at the Council on Wage and Price Stability. President Carter set up the Regulatory Council. But neither of these institutional arrangements had much teeth, and under both of them the regulatory agencies did pretty much whatever they wanted.

President Reagan, on his second day in office, established under the vice president's leadership a task force on regulatory relief that served as an appeals board for new authority granted OMB under executive order to review all proposed rules issued by executive branch agencies. For each proposed rule, unless otherwise constrained by law, the agency had to prove to OMB's satisfaction that it had sufficient information on which to base its proposal, that the benefits of the proposal exceeded the costs, and that it had chosen the least costly method of regulation. This review process has had a dramatic impact in making regulations in the social area more effective, and in forestalling meddlesome and counterproductive regulations that would otherwise have been issued.

I think that President Reagan and then Vice President Bush deserve a great deal of credit for progress in this area.

P.R. What are the most important recommendations you would make for President Bush in regulatory reform?

MILLER. Number one, he needs to support strongly the new appeals board headed by Vice President Quayle. This board must be vigilant as well as effective. It must insist that regulators follow the rules and that they not promulgate regulations until the process has run its course.

Second, President Bush should propose legislation to codify this review process and the requirement that agencies publish their regulatory plans for the coming year. Companies and individuals used to have to pay Washington lawyers a lot of money just to find out what was going on in the regula-

tory agencies. Now this information is available to everybody. Another advantage is that the agencies can be judged for their performance in meeting their own timetables.

I hope, also that President Bush will move quickly to deregulate natural gas. Deregulation is desperately needed for more efficient utilization of our own energy resources. Competition in the delivery of postal services is long overdue, and holds the possibility of great gains to American consumers and a reduction in costs for American taxpayers; I hope the President will move to circumscribe if not eliminate the private express statutes currently prohibiting competition.

Then, of course, there's unfinished business in telecommunications, and transportation, to mention just a couple. And finally, I hope President Bush will be successful in holding on to the gains of deregulation. There is a lot of frustration about the airlines right now, and an erroneous tendency to blame airline deregulation for the problems perceived. In the case of savings and loans, I am very concerned that members of Congress will argue that the present mess was the fault of financial deregulation. The S&L mess is really a failure of government, not the fault of the competitive marketplace.

P.R. How did government cause the S&L mess?

MILLER. The S&L mess has several causes, but one in particular was the failure of the government monopoly insurance company to charge premiums based on risk. This failure, of course, was influenced by Congress, so ultimately Congress is culpable. Any insurance company that doesn't rate according to risk ends up with a run by insurers to the lowest common denominator. This is exactly what happened when the S&L regulators, with prompting by Congress, allowed thrifts to diversify their portfolio into much riskier loans without any increase in premiums. A lot of S&Ls rolled the dice and lost. And others will end up paying for it.

P.R. Are you disappointed that you were able to make little headway on privatization?

MILLER. Of course. Our privatization initiatives made eminent good sense. Study after study reports that when both government and the private sector are capable of producing and distributing a product or service, the private sector invariably does it more efficiently.

We also thought that Congress, in its desperation to meet the Gramm-Rudman-Hollings deficit targets, would be so anxious to take the deficit reduction associated with privatization (decrease in subsidy as well as increase in revenue from the sale of assets) that it would end up privatizing much more than we might have hoped for in the absence of this deficit crunch.

In the end we failed, except for the sale of Conrail and some loan portfolios. We underestimated the strength of the special interests (riders of Amtrak, users of the Bonneville Power system) and their effectiveness in holding onto their subsidies. The initiatives also became labeled as "phony deficit reduction" by those who wanted to use the deficit shortfall to force the President to go along with higher taxes.

That's a shame. I hope President Bush will give the program an additional push, and that more thoughtful members of Congress will evaluate the pros and cons on a more rational basis.

P.R. You have often spoken highly of the career bureaucrats at both OMB and the

FTC, saying they followed clear instructions from political appointees, and even seemed influenced by some of your free-market ideas. What advice would you give conservative political appointees about making better use of career bureaucrats in advancing their agendas?

MILLER. First, it's important to remember that most bureaucrats are ordinary people. They have families, they pay taxes, and they care about their communities and their country. It should also be borne in mind that most bureaucrats are in government because they think public service is important and they want to serve the American people. I would encourage political appointees to laud the goals of public service and to recognize the sacrifice many of these people are making. Many civil servants could earn more money on the outside. To them the notion of public service is extremely important, it's almost a hallowed calling.

Because most bureaucrats genuinely do want to serve the public, they can be persuaded by a political appointee with better ideas. You have to plead with the career people, argue with them, roll up your sleeves and have it out with them in a friendly way. You have to convince them that your policy approach indeed serves the public more efficiently than the policies they may have adopted previously. If you do this, the bureaucrats will listen, and they will concede you the benefit of the doubt. This convincing takes more time at some agencies than others, but at many agencies a large number of bureaucrats are now convinced that public service is best carried out by letting markets work. Obviously if this means dismantling an agency or reducing the number of employees, you have to help people find rewarding employment elsewhere in government or in the private sector.

P.R. How well does the press cover budget issues?

MILLER. I think on the whole press coverage of budget issues is very good. But what bothered me most at OMB was the presumption of most reporters that OMB numbers were produced for political purposes, and therefore not to be believed. This was a reflection on some earlier history at OMB, but as a former academic who thinks it's important for numbers to be reliable, I found this presumption extremely disconcerting. For three years running, both members of Congress and the press beat me over the head with the "rosy scenario" charge; they said our projections of economic growth, and hence of revenues, were too optimistic. Well, the fact is, for two of those three years and also for the entire three-year period, OMB underestimated revenues.

Of course, we also underestimated outlays. But this was because of Congress, in failing to make changes in entitlement programs, and in its overall appropriations, spent more than the president asked for. The reason the deficit exceeded OMB projections each of the three years was that Congress spent more, not that OMB was too rosy in its economic forecasts.

P.R. Is there a disproportionate emphasis in the press on the trade deficit?

MILLER. I think there is. One of the biggest errors is the allegation that we are a debtor nation. The data that are used to make that point are based on historical prices, but the proper way to look at this is to compare market values of American-owned assets overseas with foreign-owned assets here. When you do that, it's obvious

we still own more of them than they own of us.

P.R. Is there a bias toward tax increases instead of spending cuts in press coverage of the deficit?

MILLER. There is a preoccupation with the tax side. We've just had an election where a major difference, if not the major difference, between the two candidates was that one said he would not raise taxes under any circumstances, and the other said that he would do it only as a last resort. In my judgment, when a politician says he'll do something as a last resort, he's already committed to doing it. Yet, after this election, the media has concentrated almost wholly on what kind of taxes will be increased, not whether there would be a tax increase. Citizens for a Sound Economy has just released a Roper Poll showing that by a 3-to-1 ratio, people tend to blame the deficit on Congress, not on the president; by 6-to-1, they think the reason for the deficit is too much spending, not insufficient tax revenue; and by an astounding 15-to-1, they want to reduce the deficit by controlling spending, not raising taxes. Yet the preoccupation in the media is with how to raise taxes rather than how to control spending.

Certainly there is a bias in Congress toward increased taxes and spending. One of my most vivid recollections of those budget summit sessions was that after all the staff were dismissed and the doors were closed, with only a few exceptions the congressmen talked broadly and with great exuberance about the need to raise taxes, and how that basically would solve all their problems. Of course, it would. All they needed was somebody to blame for the tax increase. The key to success for members of Congress is to take credit for spending increases that aid constituents but to blame tax increases on somebody else.

P.R. During your years at OMB, which congressional budgetary actions did you find most hypocritical, and which ones most responsible?

MILLER. I would call the passage of Gramm-Rudman-Hollings a responsible act. The passage of separate appropriations bills for fiscal year 1989, even at the absolute 11th hour and 59th minute, was a responsible act.

The most hypocritical event surrounding the budget probably came when President Reagan, during his State of the Union message in January 1988, held up the enormous continuing resolution and the enormous reconciliation act for that fiscal year, and said, "If you send me another one of these, I will not sign it." Then he got a standing ovation from the very people who had sent it to him!

The second most hypocritical act was the passage of these enormous bills by members of Congress, while representing to the entire world that they knew what they were doing. In fact, I suggested to the president that he add to his speech the following line: "Will any of you members of Congress who actually read either of these bills, please stand."

If there were any honesty in the hall that evening, no more than one or two would have stood. The fact of the matter is that the congressmen who passed these bills had not more than the slightest idea what was in them. I know I did not read even one of the bills thoroughly, because we got one at 2:00 a.m. and one at 5:00 a.m., and the president had to decide whether to sign them by 2:00 p.m. the next day. At noon I met with some of the 300 people from OMB who had

pored through these bills all night and the next morning. They didn't have time to study the documents thoroughly, just to look for killer provisions, budget items that were terribly out of whack. And then at 1:00 p.m. I met with the president to explain to him what was in them.

P.R. Have your views of what government should and shouldn't do changed much as a result of your eight years with the Reagan administration?

MILLER. No, my views haven't changed much, perhaps because I've been an observer for some time, and perhaps because I came through the public choice tradition, which tries to explain government behavior and how changes in the institutions affect that behavior. I still think that government does some things well and a lot of things very poorly, that government is too large, and that there are biases toward deficit finance and larger government that need to be remedied with institutional restraints. I do come out with greater affection and respect for the people who work in the federal government. And, because I've learned to appreciate even more the effects of incentives on the behavior of people in government, I suppose I'm more optimistic about the prospects for improving their performance in the public interest.

P.R. How did your budgetary strategy and analysis differ from David Stockman's?

MILLER. Stockman and I were at OMB at different times. He had some problems and opportunities that I didn't, and I had some problems and opportunities that he didn't. But the basic difference is that Stockman at the beginning of the administration was very optimistic about reducing the size and scope of government and by the time he left he was very pessimistic. He became disillusioned with the budget process and very discouraged about the possibility of our making much progress on the deficit on the spending side, because, despite their rhetoric, members of Congress will vote to satisfy the special interests. He left absolutely convinced it would take a substantial tax increase to reduce the deficit.

I come from the public choice school, which says that if the outcomes of the collective choice processes are not optimal, you don't blame the people, but look at the institutional arrangements and the incentives that affect their behavior. Over and over in his book, Stockman expresses his disappointment in congressmen who made speeches about the need to cut the deficit but then, when the chips were down, made sure they brought the pork back home for their districts. I argued by contrast that the problem is the institutional arrangement. For that reason, I was active early in helping to formulate and then to achieve passage of the Gramm-Rudman-Hollings act. I believe the key is not to plead with members of Congress to restrain spending and reduce the deficit, but to put restraints on spending and deficits into the Constitution—and also, desirably, to give the president, who represents all the people, enhanced rescission authority or the line-item veto to help shape priorities.

P.R. What advice would you give Richard Darman, based on your accomplishments and mistakes?

MILLER. I would urge him to hang very tough on the no-tax-increase promise. If he believes that a tax increase will lead to deficit reduction, he's wrong.

I would also urge him to do everything he can to improve the credibility of OMB's figures. I did what I could, and it was a major

disappointment for me that many people still thought our figures were advanced for political purposes. It's going to take a long time for the institution to recover the credibility it has lost. ●

U.S. JAYCEES 10 OUTSTANDING YOUNG AMERICANS

● Mr. FORD. Mr. President, today in Washington, at the White House and here in the Capitol, the U.S. Jaycees is honoring their 1989 10 outstanding young Americans.

As a former national president of the U.S. Jaycees, and a Senator with one of this year's honorees from my home State, it is a privilege for me to recognize these 10 distinguished young leaders:

Dr. Stephen Henry, Louisville, KY;
Louis Agnese, Jr., San Antonio, TX;
Keith Butler, Detroit, MI;
Gene Eidelman, Atlanta, GA;
Herren Hickingbotham, Little Rock, AR;

Sheila Holzworth, Des Moines, IA;
Michael Lamb, Sr., K.I. Sawyer Air Force Base, MI;
Judge Layn Phillips, Oklahoma City, OK;

Dr. Ronald Solar, San Diego, CA; and

Jeana Yeager, Nipomo, CA.

These 10 young leaders have gone through a demanding selection process. The criteria used to establish these people as 10 of our Nation's finest include: how their achievements have benefited the community, State, or Nation; whether those achievements have served as an inspiration to others; and how well their performance reflects the meaning of the jaycee creed.

These honorees are a living example of the jaycee belief that "Earth's great treasure lies in human personality and that service to humanity is the best work of life."

I ask that brief descriptions of their activities be printed in the RECORD.

The material follows:

LOUIS AGNESE, JR.

Before beginning his own college career, Louis Agnese Jr. overcame a serious speech impediment. Today, the president of Incarnate Word College, San Antonio, Texas, isn't interested so much in students' "income" as he is in their outcome.

The college experienced enrollment declines six consecutive years, but that changed starting in 1985 when Agnese assumed the presidency.

He initiated a bilingual marketing campaign which in two years produced a 60 percent enrollment increase, including an 85 percent increase in Hispanic enrollment.

The theme of the campaign's first year was "Break the Barriers at The College." Agnese was committed to attacking illiteracy and school-dropout problems. This year's theme is "Brainpower," which stresses individual growth. Byproducts of the campaign include increased financial assistance, an academic scholarship issued to a General Equivalency Diploma (GED) stu-

dent and the development of partnerships with media to offer scholarships.

Agnese evaluated the college's strengths and areas for improvement. He designed a program for the future, "Target 90 Goals for 90 More Years," a \$30 million project to raise funds for physical expansion, student scholarships and grants, and faculty chairs to assure the stability of the college.

Agnese introduced innovative student assistance plans which he intends to strengthen through the college endowment. He received a Gold Medal Award from the Council for the Advancement of Education for his leadership in promoting higher education nationwide.

Agnese, 37, and his wife, Michaeline, reside in San Antonio with their children, Louis III and Nancy.

KEITH BUTLER

The troubles of a great city are opportunities for the future well-being and prosperity of its people.

With that philosophy, and a vision for revitalization and restoration, Keith Butler sheds a positive light on the city of Detroit's problems.

For the past eight years, he has served as founder, pastor and president of the Word of Faith Christian Center in the heart of Detroit. The center began with Butler and his wife, and now its active congregation has more than 3,500 people with 68 employees.

Butler started Operation Helping Hand, a program to link poor and low-income individuals with government and private agencies.

His community interests also include the elderly. He garnered more than 70 volunteers who daily visit and administer to the needs of the elderly in 21 city nursing homes.

Concerned about education in Detroit public schools, he founded and organized the Faith Christian Academy, a private elementary school. He also founded and became president of the Detroit Coalition for Academic Excellence, whose purpose is to improve the quality of education in Detroit.

While becoming a prominent community activist, he initiated self-help programs for Detroit residents, including tenant/resident management and urban homesteading for public-housing residents.

He represents community concerns by editing and writing newspaper articles and speaking on radio and television.

Butler, 33, and his wife, Deborah, have three children; Andre, Michelle and Kristina.

GENE EIDELMAN

Two kitchens and two bathrooms were shared by eight families in a communal apartment in Kiev, Soviet Union. The teenage Gene Eidelman was unable to speak English.

In 1976, the Eidelman family left the Soviet Union with a few belongings and \$100 per person. The family remained in Rome five months while United States immigration paperwork was finalized. Eidelman and his older brother Uri supported the family by moving furniture.

The family eventually settled in Los Angeles. At 18, Eidelman worked nights using the Italian he learned in Rome to make himself understood to liquor store customers.

When he became more proficient in English, Eidelman began taking bookkeeping and tax preparation courses. By August 1977, he received his real estate license. By 1979, Eidelman and his brother started their own development company.

In 1981, Eidelman set up home and office in Atlanta. From 1981 to 1983, he spent two weeks monthly in Atlanta and two weeks in Los Angeles. He created the "Club Concept," building luxury apartments in Atlanta, Nashville and Memphis.

Early in 1984, he, two partners and a secretary put together the first two projects known as "The Club." Later, the first shopping center was erected. Club Properties now owns \$115 million in properties.

Eidelman also helped 400 Russian families by founding an organization that helps immigrants adjust to their new lifestyle.

Eidelman, 30, and his wife, Dawn, live in Atlanta with their son, Aron.

STEPHEN HENRY

Mr. Stephen Henry distinguished himself as one of the most prolific writers and researchers trained in the University of Louisville, Kentucky, Orthopedic Residency Program.

He was appointed instructor in the Department of Orthopedic Surgery at the university's School of Medicine.

One of his main concerns is nutritional rickets and fractures in premature infants. He recommended changes in the vitamin and mineral content of intravenous solution that helps prevent fractures.

Another research area is the treatment of hip fractures in the elderly with a device called the Y-nail. The device allows the patient to leave bed the day after surgery. This prevents significant complications of prolonged bed rest, such as pneumonia and blood clots, and leads to a lower patient death rate.

Henry has also researched the treatment of chronic bone infections with antibiotic beads. Limbs that otherwise may have been amputated have been salvaged through the treatment.

Henry also is a co-developer of a nail used in the treatment of severe fractures above the knee.

But his concerns go beyond medicine. He has served on the executive board of Louisville's Tyler Park Neighborhood Association the past five years and is the founder of the park endowment fund to ensure beautification and preservation of historical structures.

He has served as a representative to the Louisville Inter-Neighborhood Coalition and has participated actively in a citywide cleanup and beautification project known as Operation Brightside.

Henry, 33, lives in Louisville.

HERREN HICKINGBOTHAM

Because we care, we share.

With that philosophy, Herren Hickingbotham has led the TCBY frozen-yogurt store franchise in meeting one of its purposes, "to return a portion of the blessings received from our local community back to that community."

Since April 1982, Hickingbotham has been the executive vice president and a board member of TCBY Enterprises, the publicly owned holding company of TCBY Systems Inc. He is the operator of the largest soft-serve yogurt franchise in the United States.

Hickingbotham coordinated various systemwide promotional efforts which allowed TCBY to raise \$250,000 in 1986 and \$350,000 in 1987 for United Cerebral Palsy.

TCBY also has been associated with the Heart Association, Easter Seals and Arkansas Children's Hospital.

Hickingbotham was selected for membership in the Young President's Organization, a noted international group of distinguished presidents.

TCBY grew in a relatively short time. Since franchising in 1982, the company has opened more than 800 stores in 49 states and internationally. TCBY's performance was noted in many publications including Venture, Restaurants & Institutions, Business Week and Entrepreneur.

Hickingbotham, 30, lives in Little Rock, Arkansas, with his wife, Virginia.

SHEILA HOLZWORTH

Sheila Holzworth was already active in athletics at 7. Although she was blinded at 10, she since has opened the eyes of millions to the capabilities of the handicapped. In fact, she began a career that would make her world-famous.

She lettered in sports in high school and college. She learned to read Braille, an accomplishment culminating in an interdisciplinary degree from Central College, Pella, Iowa.

In 1979, she was named "Most Courageous Athlete" in the North Bank 10-kilometer running race in Phoenix, Arizona. In 1981, the International Year of the Disabled, she was one of 11 disabled people selected to attempt a climb of Mount Rainier, Washington. She was one of nine to make it, and the only blind woman. For this came national acclaim, a commendation by the U.S. House and Senate, and a White House reception.

She began competitive skiing in 1982. In 2 years she won five gold medals in World Cup and Olympic competition for the disabled in Leysin, Switzerland, and Innsbruck, Austria. Now she is a senior claims operations coordinator for the Principal Mutual Life Insurance Co. in Des Moines, Iowa.

"I like to show that being blind doesn't mean you're useless," Holzworth said. "I just hope that what I'm doing will help other blind people realize their potential."

Her dedication also is noted by the elderly. She has helped raise money, do housework and serve meals for them. She even adopted two elderly sisters.

Holzworth, 27, lives in Des Moines.

MICHAEL LAMB, SR.

Michael Lamb, Sr.'s accomplishments early in his career foreshadowed the many contributions he would make to the Air Force and others in his life.

Early in his military career, he enlisted in the Air Force in computer repair and ground radar. He graduated from his technical school with honors and became a certified technician in minimum time at Charleston Air Force Station (AFS) in Maine, where he was known as a division expert.

Later, he was accepted at the University of Arizona, Detachment 20. There he was diagnosed with Hodgkin's Disease, and he faced immediate retirement from the Air Force. But he argued to remain on active duty and won the decision.

He was sent to Vandenberg Air Force Base (AFB) in California and worked for the 6595th Missile Test Group, At F.E. Warren AFB, Wyoming, he helped maintain 200 missile systems. Today he is a program engineer in research and test development with B-52 bombers at K.I. Sawyer AFB, Michigan.

While at the University of Arizona, he designed and successfully tested an electronic anesthesia monitor using his Apple computer as the baseline equipment. This design was incorporated on a larger computer to provide data about a patient undergoing surgery. His work was cited in Time and Apple magazines.

Lamb earned many Scouting awards. He received the 1988 National Courage Award

from President Ronald Reagan at the White House, Reagan cited Lamb's example to the community and nation while successfully fighting cancer.

Lamb, 35, and his wife Sharon live at K.I. Sawyer AFB with their seven children: Mike Jr., Robert L. II, Donald, Kristofer, Sara, Tara, and Kara.

LAYN PHILLIPS

Layn Phillips, a U.S. judge for the Western District of Oklahoma, has worked as a public servant for more than one-third of his life.

As a U.S. attorney in Tulsa, and the youngest U.S. attorney in the country, he handled more drug-related continuing criminal enterprise cases than Los Angeles. His record paralleled those of Miami, Florida, and New York.

He has used the forfeiture feature of U.S. Code Title 21, relating to property purchased with drug-related funds. Consequently, he has brought millions of dollars in property and cash into the U.S. Government's coffers.

Phillips has been a leader in motivating grass-roots units to combat drugs at any level. He was in constant demand to speak about drugs to groups and graduation classes and at law-enforcement gatherings.

As a U.S. attorney, he succeeded in a famous white-collar crime case involving the prosecution and conviction of two people on 17 counts of mail fraud, tax evasion, and concealment of foreign bank accounts. Because the two were well-known, many believed they would never be brought to trial, let alone convicted.

Phillips has taken unusually tough and courageous stands against litigation abuse. He has spoken to lawyer groups concerning the filing of frivolous lawsuits, the increasing costs of litigation, and delay-oriented tactics often used by unethical lawyers.

Phillips, 37, and his wife, Kathryn, live in Oklahoma City with their children, Amanda and Parker.

RONALD SOLAR

After receiving his doctorate, Ronald Solar began work in the cardiac pacemaker industry, designing smaller and longer-lasting pacemakers. In 1980, he switched to the cardiovascular-device industry which led to his development of less-invasive ways to treat heart disease.

One method helps fight atherosclerosis which blocks blood flow to the heart muscle and leads to chest pain, heart attack, and death. The method involves a "balloon catheter" to open the blocked arteries. The process, done under local anesthesia, requires only a tiny puncture in the groin to induce the catheter.

A heart attack is certain with atherosclerosis, but the treatment can push the clot aside. If blood flow can be restored quickly enough, heart attack can be reversed.

Also in 1980, Solar began teaching Sunday School at his temple, and he became an active Jaycee. Today, he is the California Jaycees chaplain.

In 1985, he formed his own company to develop a new type of catheter. Two and one-half years later, the company sold for \$95 million, and today Solar leads the Research and Development division of the merged company.

Solar's research on implant devices led to changes in materials used, processing techniques and device designs. He helped research with a team that discovered bone growth can be stimulated and controlled by electricity.

Solar, 37, and his wife Vickie live in San Diego with their children, Mara and Max.

JEANA YEAGER

Jeana Yeager established 18 aviation records in her decade of flying. She is an accomplished commercial and engineering draftsman with background in energy, aerospace and other businesses.

For several years she was involved in engineering and administration for Robert Truax's Project Private Enterprise, aimed at developing a reusable spacecraft for the private sector.

But since March 1981, she has devoted herself exclusively to help build, test, and fly the Voyager aircraft. Consequently, she was the first woman to make the first non-stop, non-refueled flight around the world.

Yeager also managed the critical organization of the ground support and office staff for Voyager, including the grass-roots funding effort for Voyager Impressive People or VIP Club.

President Reagan gave her the Presidential Citizen's Medal for her achievements with Voyager.

From the Paris Aero Club, she received the Grande Medallion and the Medaille de Vile Paris. These awards were presented to Charles Lindbergh.

Before she became interested in flying Yeager pursued skydiving and sailing. She also is an expert horse rider and trainer.

Yeager, 35, lives in Nipomo, California. ●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1989, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is over the budget resolution by \$0.9 billion in budget authority, and over the budget resolution by \$0.4 billion in outlays. Current level is under the revenue floor by \$0.3 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section 311(a) of the Budget Act is \$135.7 billion, \$0.3 billion below the maximum deficit amount for 1988 of \$136 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 10, 1989.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1989 and is current through April 7, 1989. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the most recent budget resolution, House Congressional Resolution 268. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, and

meets the requirements for Senate scorekeeping of section 5 of Senate Congressional Resolution 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, Congress has taken no action that affects the current level of spending or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 101ST CONG., 1ST SESS., AS OF APR. 7, 1989

(In billions of dollars)

	Current level ¹	Budget resolution H. Con. Res. 268 ²	Current level +/— resolution
Fiscal year 1989			
Budget authority.....	1,233.0	1,232.1	.9
Outlays.....	1,100.1	1,099.8	.4
Revenues.....	964.4	964.7	— .3
Debt subject to limit.....	2,764.3	2,824.7	— 60.4
Direct loan obligations.....	24.4	28.3	— 3.9
Guaranteed loan commitments.....	111.0	111.0	—
Deficit.....	135.7	136.0	— .3

¹ The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 268. In addition, estimates are included of the direct spending effects for all entitlement or other mandatory programs requiring annual appropriations under current law even though the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

² In accordance with sec. 5(a)(b) the levels of budget authority, outlays, and revenues have been revised for Catastrophic Health Care (Public Law 100-360).

³ The permanent statutory debt limit is \$2,800.0 billion.

⁴ Maximum deficit amount (MDA) in accordance with section 3(7)(d) of the Congressional Budget Act, as amended.

⁵ Current level plus or minus MDA.

PARLIAMENTARIAN STATUS REPORT 101ST CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS APR. 7, 1989

(In millions of dollars)

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues.....			964,434
Permanent appropriations and trust funds.....	874,205	724,990	
Other appropriations.....	594,475	609,327	
Offsetting receipts.....	— 218,335	— 218,335	
Total enacted in previous sessions.....	1,250,345	1,115,982	964,434
II. Enacted this session: Adjust the purchase price for nonfat dry dairy products (Public Law 101-7).....			
		— 10	
III. Continuing resolution authority.....			
IV. Conference agreements ratified by both Houses.....			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Dairy indemnity program.....	(²)	(²)	
Special milk.....	4		
Food Stamp program.....	253		
Federal crop insurance corporation fund.....	144		
Compact of free association.....	1	1	
Federal unemployment benefits and allowances.....	31	31	
Worker training.....	32	32	
Special benefits.....	37	37	
Payments to the Farm Credit System.....	35	35	
Payment to the civil service retirement and disability trust fund ¹	(85)	(85)	
Payment to Hazardous Substance Superfund ¹	(99)	(99)	
Supplemental security income.....	201	201	
Special benefits for disabled coal miners.....	3		
Medicaid:			
Public Law 100-360.....	45	45	
Public Law 100-485.....	10	10	
Family support payments to States:			
Previous law.....	355	355	

PARLIAMENTARIAN STATUS REPORT 101ST CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL, FISCAL YEAR 1989 AS OF CLOSE OF BUSINESS APR. 7, 1989—Continued

(In millions of dollars)

	Budget authority	Outlays	Revenues
Public Law 100-485.....	63	63	
Veteran's compensation COLA, Public Law 100-678.....	345	311	
Total entitlement authority.....	1,559	1,121	
VI. Adjustment for economic and technical assumptions.....	-18,925	-16,990	
Total current level as of April 7, 1989.....	1,232,979	1,100,103	964,434
1989 budget resolution H. Con. Res. 268.....	1,232,050	1,099,750	964,700
Amount remaining:			
Over budget resolution.....	929	353	
Under budget resolution.....			266

¹ Interfund transactions do not add to budget totals.

² Less than \$500 thousand.

Note.—Numbers may not add due to rounding.●

THE CALIFORNIA COURIER

● Mr. WILSON. Mr. President, I rise today to salute the California Courier, a weekly newspaper published in the city of Glendale, which celebrated its 30th anniversary last month.

The Courier holds the distinction of being the oldest independent English-language newspaper serving the Armenian community in the United States. For three decades, the pages of this publication have traced the remarkable story of the Armenian-Americans—a community that has made both the culture and the economy of southern California vibrate with prosperity and imagination.

At the same time, the Courier firmly stands as a witness to repression, constantly reminding its fortunate readers that their Soviet kin need a strong voice of advocacy in the United States. As a result, Mr. President, the Courier blends together two important themes of our Nation's ethnic tapestry: an appreciation of the liberties offered by an adopted America, and a sense of obligation to the men and women who remain in their land of birth, keeping their heritage alive despite the hostility of government.

I have no doubt, Mr. President, that under the leadership of its current editor and publisher, Harut Sassounian, the Courier will continue for another 30 years the vital task of educating its audience on the issues which will shape both the identity and the future of Armenian-Americans. I am therefore honored to inform the Senate of the Courier's anniversary, and to congratulate the newspaper's staff for its devotion and civic activism.●

WATER PROJECTS IN ARKANSAS

● Mr. PRYOR. Mr. President, on April 4, I testified before the Senate Appropriations Subcommittee on Energy and Water Development about a number of important water projects in my State. I ask that my statement before the subcommittee be printed in the RECORD at this point.

The statement follows:

STATEMENT OF SENATOR DAVID PRYOR, SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT, COMMITTEE ON APPROPRIATIONS, U.S. SENATE, APRIL 4, 1989

Mr. Chairman, it is my great honor and privilege to appear before this committee for the eleventh consecutive year as the representatives of the Red River Valley Association, the Ouachita River Valley Association, and the Lower Mississippi River Valley Flood Control Association present their public testimony in support of various programs of public works improvements of the federal government. I understand that our friends from the Arkansas River Basin Interstate Committee will appear before you on Thursday.

The Fiscal Year 1990 budget for the Army Corps of Engineers' civil works program is going to be affected, as it has so often in the recent past, by that old bug-a-boo, the federal deficit. Our friends and supporters from Arkansas, Louisiana, Mississippi, and Oklahoma, who are here today, understand this fact of life very well. It continues to affect their way of life as a result. This is one reason why they choose to come to Washington every year to tell us their story, and ask the Congress to be sympathetic to their needs as we wrestle with the nation's financial crisis.

RED RIVER VALLEY

Mr. Chairman, you, more than anyone else associated with this Committee, know the needs that exist in the Red River Valley. Mr. John Stroud, representing the Arkansas interests in the Red River Valley, will present to you a detailed list of projects for which we are requesting the Committee's attention.

The number one priority for Arkansans in the southwest corner of our state continues to be the Red River Emergency Bank Protection project, for which the group asks \$4,000,000 in FY 90. I probably receive more constituent interest in the serious erosion that afflicts the Red River in Arkansas than any other river related problem from that area. I hope the Committee can continue its support of this valuable program, which greatly influences agriculture.

There are a number of studies, all important to Red River, that need the Committee's attention. The Red River Basin Comprehensive Study is most important. Mr. Stroud will testify to the need for funding for continuation of preconstruction planning on the Red River Waterway, Shreveport to Index, Arkansas and the Red River Bank Stabilization project, Index, Arkansas to Denison Dam, Texas.

HELENA HARBOR

This year will witness the ground-breaking for the Helena Harbor project. This project is one of the most important projects to Arkansas and its economic development in many years. This committee saw fit last year to provide the necessary funding for design of this project, and directed the Army Corps of Engineers to be prepared to commence construction in Fiscal Year

1989. The reports I have indicate that the Corps is on schedule for that, and now is the time for the Committee to provide the next step in the funding process.

No project in my State enjoys a higher priority. The creation of the Mississippi Delta Commission will ensure that forward looking projects such as this one will be the cornerstone of economic recovery in this region.

WEST MEMPHIS FLOOD CONTROL

Mr. Chairman, last year I testified to the tremendous need that exists in the City of West Memphis for a measure of flood protection. It was never more apparent than during the flooding that followed the devastating tornado that hit the town and killed six persons in December of 1987. I saw the damage firsthand.

As I discussed last year the Water Resources Development Act of 1986 authorized the construction of channel improvements on the Ten and Fifteen Mile Bayous that traverse Crittenden County and affect flood conditions in West Memphis. The Act also provided a way for the Federal government to participate in this project without completely devastating the West Memphis city budget.

I am attaching a copy of the Army Corps of Engineers latest fact sheet on this project for the Committee's use. As you can tell from this there have been numerous meetings and the public liaison has been positive. However, if you read between the lines, you can also tell that there has been no construction outside of that the city has initiated on its own. In short, we are not close on getting a local cost-share arrangement for this \$23 million project, which has a high 1.7 benefit-cost ratio.

Mr. Chairman, I hope that this Committee will take stock of this situation in West Memphis, and seek some kind of accommodation with the Corps. What you are witnessing here will happen to a small town in your State someday. The ability to pay will become the overriding factor in that town's quest for stability and growth, and once again, we will separate rich from poor. The people of West Memphis are prepared to cost-share up to the limit of their ability.

OUACHITA RIVER NAVIGATION

I continue to support the completion of the Ouachita-Black River Navigation system. We will not have a working system until the final phase of the project is complete in northern Louisiana and southern Arkansas. I know, Mr. Chairman, that you support the project also, and I can only urge that both States follow through with the last of the local responsibilities, i.e. the rights-of-ways necessary for the construction.

ARMY CORPS OF ENGINEERS RECREATION SITES

The Army has created quite a stir in Arkansas with the announcement of certain budget cuts that will affect recreation at our many lakes. Tourism is the number two industry in Arkansas, and outdoor water related sports are vital to a healthy economy in so many areas. I cannot overemphasize the importance of maintaining these recreation sites. It is hard to imagine that our nation would fund the construction of so many of these public access areas, and watch while they are either closed or allowed to deteriorate. It makes no sense to the taxpayer.

The Corps officials in Arkansas tell me they plan to close no recreation sites, but maintenance will be reduced, severely in

some cases. Nevertheless, the public is rightfully concerned. I understand and appreciate the need to reduce government spending, but I want to make sure it is done in a way that truly reflects our national priorities. Even though recreation may sound like it would not ordinarily be a top priority, I can assure you that jobs and economic vitality are priority number one.

I urge this Committee to stay close to the funding for recreation sites issue. It is certainly a closely watched issue in Arkansas.

ARKANSAS RIVER BASIN

On Thursday, Mr. Wally Gieringer, Executive Director of the Pine Bluff-Jefferson County Port Authority, will present testimony relevant to the needs that exist in the Arkansas River Basin. As you undoubtedly know, Mr. Chairman, we have had a problem in recent years with low water during the summer months at the lower end of the Arkansas River navigation system. The Army Corps of Engineers has been studying solutions, and it is important that these studies continue. I support the concepts expressed in Mr. Gieringer's statement, and I hope the Committee will carefully consider his recommendations.

Thank you Mr. Chairman for this opportunity to appear before this Committee with my fellow Arkansans.

FACT SHEET

1. Project: West Memphis, Arkansas and Vicinity.
Program Manager; Durley McLarty, Ex. 3346.
Project Manager; Bethany Patterson, Ex. 3460.

2. Authorization/Purpose:
a. WRDA of 1986.
b. The purpose of this study is urban flood control.

3. Location:
East Central Arkansas.
Crittenden and St. Francis Counties, Arkansas.

From stream mile 10.3 on Fifteen Mile Bayou to the confluence of Ten Mile Bayou to West Memphis, Arkansas.

4. Description:
Urban areas—West Memphis—1980 population 28,138; 2245 structured affected by 100-year flood.

Rural basin—45 miles long—20 miles wide (324 square mile drainage area).

Primary problem is biennial flooding in the urban area and yearly damage to agricultural production.

Authorized plan of improvement consists of: 23.86 miles of channel improvement on Ten and Fifteen Mile Bayous; Restrictive easements and limited revegetation program; Provide 10-year degree of protection in urban and rural areas.

Estimated construction cost is \$23,400,000 (Oct. 88 prices).

B/C ratio is 1.7.

5. Status:

Project authorized by WRDA of 1986.

ASA(CW) to OMB—22 April 1988.

Funds provided and PED initiated 27 July 1988.

Existing needs and problems are being assessed.

Monthly coordination meetings are being held with local interests.

Project: West Memphis, Arkansas and Vicinity.

6. Costs:

Oct. 88 prices

Estimated Study Cost \$1,100,000
Costs thru FY 88..... 462,000

Allocation FY 89 Oct. 88 prices 500,000
Balance to Complete 138,000

7. Special Considerations: Congressman Bill Alexander of Arkansas and local officials, including Mayor Keith Ingram, were briefed on the project on 27 February 1987, and on 8 January 1988. Meetings to discuss project implementation were held with local officials on 12 January, 3 February and 2 August 1988. Monthly meetings are scheduled with engineers for the City of West Memphis and drainage district.

The City of West Memphis has developed a pumping station plan to complement the Corps plan which will provide protection for some of the most severely flooded areas in the city. Phase I of the plan includes three pumping stations and has an estimated cost of \$5.7 million excluding LERRD costs. Phase II of the plan includes two additional pumping stations which are currently estimated at \$2.6 million. A comprehensive plan combining work proposed by both the Corps and West Memphis is needed to provide long term relief to the area.

A meeting with the West Memphis City Engineer was held on 13 February 1989 to discuss credit under Section 215 of the Flood Control Act of 1968 for the pumping stations and the possibility of adding the pumping stations to the Corps plan.

8. Local Sponsor:

City of West Memphis, AR.

Drainage District No. 2 of Crittenden County.

Drainage District No. 6 of Crittenden County.

Crittenden County.●

URANIUM REVITALIZATION AMENDMENTS

● Mr. WALLOP. Mr. President, I am pleased to join with my colleague from New Mexico, Senator DOMENICI, in submitting the Uranium Revitalization Amendments of 1989 as amendment No. 10 to the bill S. 83. These amendments are the latest incarnation of legislation we have developed over several Congresses. We have developed and refined our proposal. It is an excellent package, and I am hopeful that it will finally become public law.

What are we trying to achieve? We are simply seeking to preserve an industry vital to both our national defense and national energy needs. The uranium mining industry provides the basic material for building nuclear fuel rods and nuclear devices. Nuclear fueled powerplants account for 20 percent of our electric energy production. Nuclear weapons remain the backbone of our deterrence and defense forces. The Federal Government is intimately involved in both activities. The fact is that the Federal Government has, and does, own many of the processing and production facilities, such as the uranium enrichment plants. Without a viable uranium mining and milling industry, which is totally private, our ability to meet national energy and defense needs over the long term could be impaired.

Over the past 5 years, the Secretary of Energy has been required to do an

annual assessment of the viability of the uranium industry. And, to no one's surprise, the Secretary has declared that the industry is nonviable. The industry's problems stem from two sources. First, contrary to optimistic projections just 10 years ago, the demand for powerplants using nuclear fuels has stagnated. This is a result of the slowdown in demand for electricity, and the long, costly procedure a utility must go through to build a nuclear plant. The second problem is the competition U.S. producers face subsidized foreign production.

We do need a viable uranium mining industry. Recently, much concern has been expressed over global warming. It appears to be one of the hot topics in the 101st Congress. One sensible response to this phenomenon is to increase the use of nuclear power which does not produce carbon dioxide as a waste gas. We also need a viable industry because foreign producers will not sell uranium to the United States for defense purposes.

It is erroneously assumed that we can let the industry shutdown, and then revive it when demand escalates. This is the old boom and bust philosophy that has saddled the Western mineral producing States with such rocky economies. But, we cannot simply close down a mine, and reopen it several years later. Reopening a mine is an expensive and time consuming project that is not always successful. A more sensible policy would be to take action now to maintain a productive uranium industry. That is the intent of the legislation we are introducing today.

My State of Wyoming is a major producer of uranium ore. We have gone from an industry employing thousands to an industry that currently employs a handful of workers. But, it is an industry that is hanging on. New supply contracts have recently been signed, and my State's producers are confident they can compete in a tough world market—which is all we are proposing today.

As I previously explained, this amendment is the result of years of work and refinement. The original version had three parts. The first title was an excise fee on foreign produced uranium brought into the United States for enrichment for use in domestic powerplants. The intent was to ensure that U.S. ore could compete with subsidized foreign production. The second title dealt with the funding and procedure for cleaning up existing uranium mill tailings sites. The third title established a new public corporation to run U.S. uranium enrichment facilities.

In the last Congress, we sought to enact this legislation with administration support as part of the process for adopting the United States-Canadian

Free Trade Agreement. The FTA was flawed in that no action was taken to remove Canadian Government subsidies to its uranium mining industry. The Canadians would have unlimited access to our market at the same time that our domestic uranium industry was declared nonviable and the Federal courts were requiring the Energy Department to impose the 161(v) sanctions against foreign imports.

The sponsors of the Uranium Revitalization Act undertook extensive discussions with Treasury, OMB, and Energy Department officials over the content of our legislation. As a result, we significantly revised title I. Rather than an import fee, we switched to a required purchase policy whereby domestic users would purchase a set amount of domestic ore over the next few years. This procedure would allow more efficient loading for enrichment and reduce energy costs for that process. The net affect of the new title would be to allow the uranium mining industry to get back on its feet while producing a more cost efficient U-235 fuel product for our nuclear powerplants.

The amendment we are introducing today incorporates the revised title I and the old title II of the Uranium Revitalization Act. Since the Government-owned enrichment corporation is the subject of S. 83, the bill we are amending, this title was dropped from our amendment.

The Senate did pass our proposal in the last Congress. We believe we can move this bill through the House and have it signed by the President. Our amendment is important to our national security, and I urge my colleagues to support our efforts.●

GREEK INDEPENDENCE DAY

● Mr. METZENBAUM. Mr. President, March 25, 1989, marked the 168th anniversary of the Greek struggle for independence from the Ottoman Empire. The importance of this great day is unmistakable: Greece gave the world its first example of democratic government and it is only fitting that Greeks themselves live in freedom. Over its several-thousand-year existence, Greece has fallen under the influence of a number of foreign conquerors. Greek cultural identity has never been compromised, however.

The true meaning of cultural sovereignty can only be realized through national sovereignty. Greeks have fought and died more than once to gain and preserve their independence, and they are rightfully proud of their heritage. The Greek war of independence against the Sultan lasted 8 long years. Greeks fought courageously against Nazi occupiers in World War II. In the immediate postwar period, many more Greeks gave their lives to defeat the Communist insurgency.

Greeks around the world truly have good reasons to celebrate independence.

Greek-Americans are in a particularly good position to appreciate the painful price of democracy and independence. Both their homeland and their adopted home fought costly wars of independence and subsequent wars to maintain their freedom. The special relationship between Greece and the United States runs deeper than this, however. The Founding Fathers of this country looked to ancient Greece for a model as they established a democracy in the new world, and Greek art and architecture provided the aesthetic basis for Western culture. Greek patriots likewise drew upon the American Revolution and the Declaration of Independence during their struggle to overthrow hundreds of years of foreign domination.

Mr. President, we should all be thankful for the contributions that Americans of Greek descent have made to our country. One American of Greek lineage recently made an outstanding contribution to the continuing great democratic tradition of our two countries, as the Democratic Party's nominee for the Presidency. I am particularly proud of the Greek-American community in Ohio, which is actively involved in preserving its own culture while playing an important role in the community at large.

Mr. President, I congratulate Greek-Americans, and Greeks around the world for the ongoing example of freedom and independence they set.●

MICHIGAN UNIVERSITY MEN'S BASKETBALL NCAA VICTORY

● Mr. LEVIN. Mr. President, on Wednesday, the University of Michigan's basketball team which won the NCAA Men's Basketball Championship will be visiting Washington. The people of Michigan are proud of their team's success. Their representatives in Washington look forward with great pride to welcoming the Wolverines on Wednesday.

I ask that the following articles which appeared after the great victory be printed in the CONGRESSIONAL RECORD.

The articles follows:

[From Detroit Free Press, Apr. 4, 1989]

A-MAIZING BLUE, 80-79—ROBINSON'S FREE THROWS IN OT GIVE U-M ITS FIRST NCAA TITLE

(By Steve Kornacki)

SEATTLE.—Rumeal Robinson had it all before him. Win, lose or draw—it depended on his free throws with three seconds left.

The first tied the game at 79-79. He thrust a fist high, smiling. The second also hit nothing but net, and made Michigan the national college basketball champion Monday night at the Kingdome, 80-79.

The Wolverines (30-7) beat Seton Hall (31-7) in the first overtime title game since

1963. They won their first NCAA Tournament title under interim coach Steve Fisher.

Robinson's routine of shooting 100 free throws after practice paid off in a big way. He had become angry with himself after missing the free throws that cost Michigan a 71-68 loss at Wisconsin Jan. 21.

And so Robinson bit his lip after that game, using no alibis. He knew what had to be done. He had to work harder on the simplest part of the game.

But the Pirates had a chance to steal his glory. A chance was all, though.

Daryll Walker's 20-foot shot off the glass followed a three-quarter-court pass from Ramon Ramos. The shot never hit the rim and Walker walked off the court, eyes welling in tears. Teammate Andrew Gaze patted him on the head.

Meanwhile, Sean Higgins was pounding the hardwood for joy in a prone position. Everyone was hugging everyone.

Robinson finished with 21 points. Glen Rice scored 31, giving him 2,442 points and making him the Big Ten's career scoring leader.

Rice had a chance to fulfill his lifelong dream of hitting a winning shot at the buzzer in college. But his jumper from the top of the key swirled off the rim, and Daryll Walker rebounded for Seton Hall as the buzzer sounded the end of regulation.

Rice gave Michigan a 69-68 lead with 58 seconds left. It was a stunning shot from the left of the key, and silenced a Seton Hall run.

Rice set an NCAA Tournament record with 184 points, breaking the record set by the legendary Bill Bradley, who scored 177 points for Princeton in 1965.

Higgins put the Wolverines up, 71-68, with two free throws with 34 seconds to go.

John Morton (35 points) answered with a no-hesitation three-pointer 10 seconds later to tie the score at 71.

It wasn't nip-and-tuck earlier in the half.

Seton Hall had the Wolverines right where they wanted them midway through the second half. U-M had a 51-39 lead, but quickly began playing not to lose. The Pirates have a way of doing that to teams.

The Hall limited its first five NCAA Tournament opponents to 51-for-153 shooting (.333) in second halves, and let the wind out of a lot of big sails down the stretch.

Morton scored six straight in the Pirates' run of eight unanswered points. Two of the buckets came off fast breaks. Seton Hall cut it to two points twice.

Michigan pulled away again, 66-61, but Morton yanked them right back. He hit two fast-break baskets off turnovers to cut it to one, and penetrated for the short shot that gave the Pirates a 67-66 lead with 2:31 remaining.

The Wolverines opened the second half with a 14-6 run. Robinson's reverse, two-hand slam off a baseline buzz through the big trees electrified the Kingdome crowd of 39,187.

But the Wolverines did as much with highlight-film footage as with teamwork.

Early in the second half, Rice saved a ball going out of bounds along the Pirates' baseline with a backward flip. Robinson caught it and shouted, "Here we go, Lo!" He dribbled up court and fired to Loy Vaught near the lane. Vaught dropped it off to Terry Mills for an easy slam.

Michigan didn't have anyone with more than one foul in the first half. That limited Seton Hall to only four free throws; the Pirates never got in the bonus situation. And more importantly, U-M kept totally out of

foul trouble against a physical, defensive team.

The Wolverines had a 37-32 lead at the half, as Robinson (14 points) and Rice (13) established themselves as the offensive threats. They took 19 of U-M's 30 shots before intermission.

Rice also limited Gaze, who averages 13.8, to two points and sparked several fast breaks with defensive rebounds.

Robinson scored most of his points on acrobatic moves to the hoop.

Seton Hall was able to stay with Michigan in the early going by penetrating and powering the ball inside to Ramos and Walker.

Guards Gerald Greene and Morton hit back-to-back three-pointers as exclamation points to a 12-point run that made it 26-20 for the Pirates. They combined for 18 first-half points.

The Wolverines also had a six-point lead, 20-14, as every starter contributed points early.

HAVE WE MET?

Each team looked at the other and was reminded of its conference nemesis.

Seton Hall players thought Michigan resembled Big East champion Georgetown and Syracuse. The Orangemen beat the Pirates three times this season.

The Wolverines saw similarities between Seton Hall and Indiana or Illinois, Big Ten teams against whom U-M was 1-4 this season.

"Their athletes are similar to those at Syracuse," Pirates guard Gerald Greene said. "Sherman Douglas and Rumeal Robinson are very much alike. But Michigan has a much better perimeter shooting game."

Center Ramon Ramos said: "They're like a combination of Georgetown and Syracuse. They are big and good like Georgetown. But they also are great athletes who play above the rim like Syracuse."

Robinson didn't take the comparison with Syracuse as a compliment.

"We have better players than Syracuse," Robinson said. "Syracuse just has athletes. We have 6-11 guys who can dribble, 6-7 guys who can shoot the lights out. We can give them problems."

Michigan guard Mike Griffin said: "Seton Hall is aggressive on defense like Indiana. They have great team defense and make it hard to punch the ball inside."

Higgins said: "They have the great half-court defense like Illinois."

MILLS ON FISHER

"I've never heard of an undefeated coach getting fired," forward Terry Mills said, referring to Fisher's 5-0 tournament record. He could become the first interim coach to win the NCAA championship.

[From Detroit Free Press, Apr. 4, 1989]

U-M'S INCREDIBLE TURNAROUND—PLAYERS AMAZED BY CHANGES

(By Johnette Howard)

SEATTLE.—Plenty of drama already had been played out by the time the University of Michigan and Seton Hall University met in Monday night's NCAA championship basketball game.

But even if, a few days from now, the Wolverines' names had disappeared from the sports pages, the discoveries they made in the last few weeks about themselves, let alone about playing basketball, were evident before the title game was over.

And most of the revelations were things you never shake. The change that came over the U-M players after the departure of

former coach Bill Frieder was "incredible even to us," said forward Loy Vaught.

To U-M interim coach Steve Fisher, the striking thing has been the intensity his players brought to the six tournament games, the way they suddenly listened, pulled together and admitted maybe they hadn't done as much as they could have before. Then they went out in the tournament, and Fisher said, get a "lesson that we could play harder than we probably knew we could."

Guard Rumeal Robinson has been struck by the super-heated atmosphere of U-M's tournament run, the ever-present threat of being eliminated at every juncture and U-M's ability to shrug off the pressure every step of the way—acknowledging only the excitement and thrill of going further than they ever had before.

"I feel that every game we've played in the NCAA has been a championship game," Robinson said before Monday's game. "But the feeling I have is still up in the air. Playing for the national championship, it's more than just a boyhood dream. It's more like looking forward to riding your first bike, but you can't ride it until morning comes."

For center Terry Mills, a phoenix in U-M's tournament story, the metamorphosis from a potential champion to a championship team has been a lesson about what's really important. At times, Mills said, the question a player must ask himself is whether he wants to win games or assure himself that he stars in them.

Somewhere along the line in these last three weeks, winning began to obscure everything else. Then, suddenly, it didn't matter anymore if U-M players were asked to get 10 rebounds or 10 points or set 10 screens for star forward Glen Rice. When you win, everything feels good just the same.

"I feel it's been a mistake to judge me and Loy by how many points we're getting now because we're doing other things that we need to win," Mills said. "When you've got a man shooting the ball like Glen Rice or Sean Higgins or Rumeal Robinson, you'll just about give up your body for them—do anything to set a screen, whatever, to get them open."

Before each tournament game, Fisher and assistants Mike Boyd and Brian Dutcher talked to each U-M player individually to outline what his role would be. For Higgins, the sixth man who won the semifinal game over Illinois with a last-second follow shot, the orders for that game were to play a hard, all-around game whether his shot was falling or not. It paid off with the basket Higgins called "a dream come true."

"Coach Fisher had told me all year that shots like that come off the weak side, so I just put myself in position to get the rebound," Higgins said. "I finally listened."

For Vaught, who owned the second-best field-goal percentage in the country, the job has been putting scoring aside in some games—like that Illinois showdown Saturday—and hording enough rebounds for U-M to win.

And Vaught responded with a career-high 16—12 in the first half.

"We knew rebounding would be the key to that game, and I just made a commitment to myself to get every rebound there was," Vaught said Sunday.

Along the way, there was something fortifying to the Wolverines about setting their minds to a goal and pulling it off. Soon—quickly—this U-M team began to feel as if it could do anything. It began to feel powerful.

"Against Illinois, me, Terry and Glen knew we all had to play great games," said Mark Hughes, a 6-foot-8 senior reserve. "And we just said we were going to do it—we're not going to let them have alley-oop baskets; we're not going to let them have second shots; we're not going to let them beat us on dribbles and drives to the hoop. We just got together and said, 'We're going to do it.'"

For Rice, who always visualizes that his shots will fall in without fail anyway, that also meant feeling so invincible that even a twanging hamstring wouldn't slow him down. Not now.

"I just feel I can't be physically hurt right now," Rice said after the victory over Illinois. "I just feel so much strength."

And if, heading into Monday's game, Rice was justly proud of what Michigan had done to come this far, he said: "No, I'm not impressed yet. As soon as we win the national championship, I'd be impressed then."

[From USA Today, Apr. 4, 1989]

OUTSTANDING PLAYER RICE SETS RECORD, CREDITS TEAM

(By Debbie Becker)

SEATTLE.—With a team-high 31 points and 11 rebounds in the championship game, Michigan's Glen Rice was named Most Outstanding Player of the 51st NCAA Final Four.

Rice also broke the NCAA tournament record of 177 points set by Princeton's Bill Bradley in 1965. Bradley's record came in five games. Rice's 184 points came in six games.

The 6-7 senior from Flint, Mich., broke the record with 5:59 left in the game when he sank a three-pointer, giving Michigan a 64-59 lead.

"It's a great individual achievement," Rice said. "But if you know the type of person I am, I have to give credit to my teammates and the coaches because without them this wouldn't be possible."

Rice was 5-of-12 from three-point range. But with the game tied 71-71, he missed from 18 feet as time ran out, sending the game into overtime.

"I was surprised I missed it because I was very much open," Rice said. "When I released the ball, I really felt like it was going in."

Still, Michigan interim coach Steve Fisher had nothing but compliments for Rice. Asked to describe his star, Fisher said, "It's almost indescribable. He's done more for Michigan—and not just these six games but for a career—than any other player. There is no finer shooter in college basketball than Glen Rice."

"He's a tremendous player. The way he plays—that effort in practice as well as games—carries over to everyone on this team."

But perhaps the happiest person in the Kingdome Monday night wasn't on the court but in the stands—Rice's mother, Ernestine.

"It feels so good," she said. "I can't describe it. If only I could bottle it up and keep it. All our prayers have been answered."

[From the New York Times, Apr. 5, 1989]

RUMEAL COULD HANDLE IT

(By George Vecsey)

SEATTLE.—Pressure? This was a young man who had sat crying in his grandmother's

house on the island of Jamaica, "wishing I had a mother."

Pressure? This was a young man who had come to the Boston area at the age of 6, and briefly lived on the street until he was adopted at the age of 10.

Pressure? This was a young man who had competed outdoors in the rugged Port district of Cambridge, Mass., playing a game called New York. When you lined up to shoot a foul shot, almost any distraction was fair game.

Pressure? This was a young man who had carried the stigma of being a Proposition 48 failure and not allowed to play as a college freshman.

On Monday night, Michigan gave the ball to Rumeal Robinson, who, after all, has been carrying the ball for most of his 21 years.

He was the best part of the Final Four long before he sank those two foul shots with 3 seconds remaining to allow Michigan to hold off courageous Seton Hall, 80-79, in overtime.

Glen Rice was the outstanding player because of that soft jump shot that gave him the nickname of Rain. But Robinson and Ramon Ramos of Seton Hall, the Big East basketball scholar-athlete of the year, were added reminders that not a few of these players are students, too.

As a freshman, Robinson was forced to stay away from the varsity gym and the training tables and the long trips. He became a civilian, a college student, and he talks like one.

But he is also one whiz of a player, a reluctant point guard who would rather be a shooter, a 6-foot-2-inch leaper who performed a baseline, two-handed over-the-head reverse stuff early on Monday, then sank two foul shots with the whole nation watching.

Rumeal Robinson does not know the origin of his first name because his parents did not stay around to explain it. He remembers the freedom of the beach in Jamaica, the sense of other children looking after him, but he wanted a mother, and so when he was 6, his grandmother put him on an airplane to let him try living with his mother.

By the age of 10, he was on the street, for reasons he does not volunteer. In the current crack generation, he could have been recruited as a courier or a warrior, but he was rescued from the street by Louis and Helen Ford, who fed him, loved him, and adopted him.

Robinson became a star in high school, but an unspecified learning disability helped make him ineligible under the new Proposition 48.

"I thought Prop 48 worked great for me," Robinson told the waves of reporters. "It gave us a chance to wind down and concentrate on our studies. Most freshmen players don't have the chance to socialize."

"There is nothing wrong with Prop 48 itself," he added, "but there is a cultural bias in the testing. You'd get a question like, 'What is a regatta?' How many black kids are going to know that?"

"Some of the standards are based on kids sitting around at supertime talking with their families. We were not prepared from first grade for that kind of test, and not all schools are the same. We were like guinea pigs."

He passed his freshman year easily, and will be graduated one semester early, next December, but will stick around for his senior season. He does not flinch when he

discusses playing in the same league with Isiah Thomas and Magic Johnson, nor does he flinch about talking about writing poetry or owning an art gallery some day.

Some thought Robinson might be hurt when Bill Frieder was dismissed as head coach because he had accepted another job at Arizona State, but Robinson knows the difference between abandonment and business.

"My high school coach left after my junior year," he said, "but I could understand it. You've got to better yourself in this world."

He knows a bit about that. Robinson missed two foul shots with 4 seconds left in a loss at Wisconsin this season. For the next month, he reported to practice an hour early, and shot 100 foul shots.

Last Saturday, his adoptive mother and baby brother were in attendance, while Louis Ford was plucked off his mail route and placed on a jet, courtesy of one Mr. Goldstein he has never met. The father arrived shortly after Michigan had defeated Illinois, but there was more to come.

On Monday night, Michigan was trailing by 1 point with 9 seconds left. Robinson drove downcourt and stuck out his elbows and his hips, trying to make contact with Gerald Greene, his old adversary from New York.

The call could have gone either way, but it went to Robinson. Seton Hall called an extra timeout to rattle him, and Robinson understood that game.

"This was my childhood dream," he said later. "Standing on the line with two foul shots. You never miss in your dreams."

[From the Wall Street Journal, Apr 5, 1989]

WOLVERINES SPOIL THE CINDERELLA STORY (By Frederick C. Klein)

SEATTLE.—It is commonly held that the weather never changes in the Emerald City, but four days here have shown me otherwise. Sometimes it rained hard, sometimes lightly. Sometimes it was windy and rainy and sometimes it was calm and rainy. Sometimes it rained while the sun shined.

Recent NCAA basketball tournament finals have varied similarly. Sometimes they are close and high-scoring. Sometimes they are close and low-scoring. Sometimes they are close and in between.

We got one of the last class in the Kingdome here Monday night, with Michigan an 80-79 overtime winner over Seton Hall on Rumeal Robinson's two free throws with three ticks left. The statistical-minded might note that the one-point victory margin was a trifle slim even for these affairs, the eight-year average being 2.9 points.

What we have here is U.S. sports' most competitive annual event, an equal-parts outgrowth of the game's geographic and temporal ubiquity in this land (30 days hath September, all the rest have basketball, someone wrote) and the heedless bravery of youth. "When I took the ball down court at the end, I wanted the shot. I didn't want to just pass it and hide," said hero Robinson of the late dash that put him, and the game, on the line in the dying seconds.

And there, waiting for him, was his buddy, skinny forward Sean Higgins, with some foxhole humor. "I told him that I'd made my free throws [giving Michigan its last two points in regulation play] and now it was his turn," Higgins smiled later. "I thought he'd enjoy hearing that."

The man who probably enjoyed the outcome the most was Steve Fisher, whose

Michigan coaching status might have been unique in NCAA (for Nobody Comes out Ahead Alot) hoops annals. He was an assistant to Bill Frieder, who'd signed on to coach at Arizona State when the regular season ended. Frieder had hoped to lead his team into the tourney anyway, but instead was given a very brief period to clean out his desk. Thus, the three-week, six-game championship grind served as an elaborate job audition for Fisher.

The soft-spoken 44-year-old's fate is in the hands of Bo Schembechler, Michigan's football field marshal and athletics director. Bo has been cagey on the subject, but it now seems his options will be limited when he finally removes his spiked helmet to scratch his head over the matter. "I never heard of an unbeaten coach getting fired," noted Terry Mills, the Wolverine center.

Fisher maintained throughout, no doubt correctly, that coaching is overrated in this playground-spawned game, but he deserves at least some credit for the trophy his team took home to Ann Arbor. For the past several years, talent-heavy Michigan had been a pre-season title choice of many, but a playing-floor disappointment. Even this season it managed to lose seven of 31 regular-campaign games and finish third in the Big Ten, at times looking like its collective mind was elsewhere.

"We didn't always play as well as we should," allowed Glen Rice, the quick-triggered shooter who led Michigan scorers with 31 points on Monday and a record 184 for the tourney. "Coach Fisher didn't make a log of changes, but he got on the starters for making mistakes just like he did with the other guys. He treated everyone alike. Coach Frieder didn't always do that."

But if coaching even-handedness contributed to Michigan success, so did its size. Indeed, both members of Monday night's Terminal Two matchup were represented by considerable lads, boasting NBA height numbers like 6-8, 6-9 and 6-10 across their front lines. They had some NFL numbers, too, like 230, 240 and 250, as in pounds. "Size is important," said Lou Henson, whose smaller Illinois team fell to Michigan, 83-81, in a semifinal that presaged the main event. Ol' Lou has never been loath to state the obvious.

Illinois had beaten Michigan twice during the regular season by outscraping and out-leaping the Wolves, but on Saturday Michigan did what it was supposed to have done all along, which was go inside effectively. Seven of its last eight baskets were from within spitting distance of the hoop and the clincher, with two seconds left, came when the 6-foot-8 Higgins vaulted over Illinois's 6-6 Nick Anderson to put back a rebound.

Seton Hall, a Catholic school in South Orange, N.J., had similarly mistreated its five pre-final tournament foes, hammering such name brands as Indiana, Nevada-Las Vegas and Duke by an average of 15 points a game. If these guys were the go-around's Cinderella team, they were Cinderellas in size 14 sneakers. "They were stronger than we were. They wore us out," said Duke coach Mike Krzyzewski after his gang was outscored, 62-40, in the second half and beaten, 95-78, in Saturday's other semi.

Against Duke, the Hall rallied from a 26-8 first-half deficit. Against Michigan, it fell behind by less—12 points—but later. Only 14 minutes remained when Robinson, at 6-foot-2 Michigan's only true guard, awed the multitude with an over-the-head stuff that gave his mates a 51-39 lead.

Seton Hall had spent most of the first half popping ineffectually from beyond the three-point line, but in half two it got back to basics. Guards John Morton and Gerald Greene snaked through the tall guys to the hoop, getting bruises and free throws for their trouble or passing off to their big-brother forwards. The Pirates went ahead, 67-66, on a Morton drive with two minutes left but were passed again and needed his three-pointer to tie at 71 when regulation play ended.

The Pirates took a 76-76 edge in the overtime period, and twice had the ball with chances to increase that margin. They couldn't, and a 10-footer by the 6-10 Mills and the free throws by Robinson put Michigan up.

Three nervous seconds remained as Seton Hall put the ball in play for a last heave, but two kids on the floor—Michigan's Mike Griffin and the Pirates' Andrew Gaze—had time for a joke. "I asked him if he was going to take the last shot," Griffin reported. "He said he doubted it. We both laughed." Darryl Walker fired from 22 feet, missed, and that was all for the Hall.●

ORDERS FOR TUESDAY, APRIL 11, 1989

(The following orders were entered earlier and appear at this point in the RECORD by unanimous consent.)

RECESS UNTIL 11:30 A.M.

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it

stand in recess until 11:30 a.m. tomorrow, Tuesday, April 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I further ask unanimous consent that, following the time for the two leaders tomorrow, there be a period for morning business not to extend beyond 12:30 p.m. with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FROM 12:30 P.M. TO 2:15 P.M.

Mr. MITCHELL. Mr. President, I further ask unanimous consent that on tomorrow the Senate stand in recess from 12:30 p.m. to 2:15 p.m. to accommodate the respective party luncheon caucuses.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. DIXON. Mr. President, if the distinguished Republican leader has no further business, and I am advised by staff on his side that he does not, and if no Senator is seeking recognition, and my view of the floor. Mr. President, indicates that none is seek-

ing further recognition, I ask unanimous consent on behalf of the distinguished majority leader that the Senate stand in recess, under the previous order, until 11:30 a.m. on tomorrow, Tuesday, April 11.

There being no objection, the Senate, at 4:48 p.m., recessed until tomorrow, Tuesday, April 11, 1989, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate April 7, 1989, under authority of the older of the Senate of January 3, 1989:

INTERNATIONAL BANKS

RICHARD THOMAS MCCORMACK, OF PENNSYLVANIA, TO BE UNITED STATES ALTERNATE GOVERNOR OF THE INTERNATIONAL BANK OF RECONSTRUCTION AND DEVELOPMENT FOR A TERM OF 5 YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK FOR A TERM OF 5 YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT BANK FOR A TERM OF 5 YEARS; UNITED STATES ALTERNATE GOVERNOR OF THE AFRICAN DEVELOPMENT FUND; AND UNITED STATES ALTERNATE GOVERNOR OF THE ASIAN DEVELOPMENT BANK; VICE W. ALLEN WALLIS, RESIGNED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

JAMES O. MASON, OF GEORGIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE ROBERT E. WINDOM, RESIGNED.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

FRED M. ZEDER II, OF NEW YORK, TO BE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION, VICE CRAIG A. NALEN, RESIGNED.